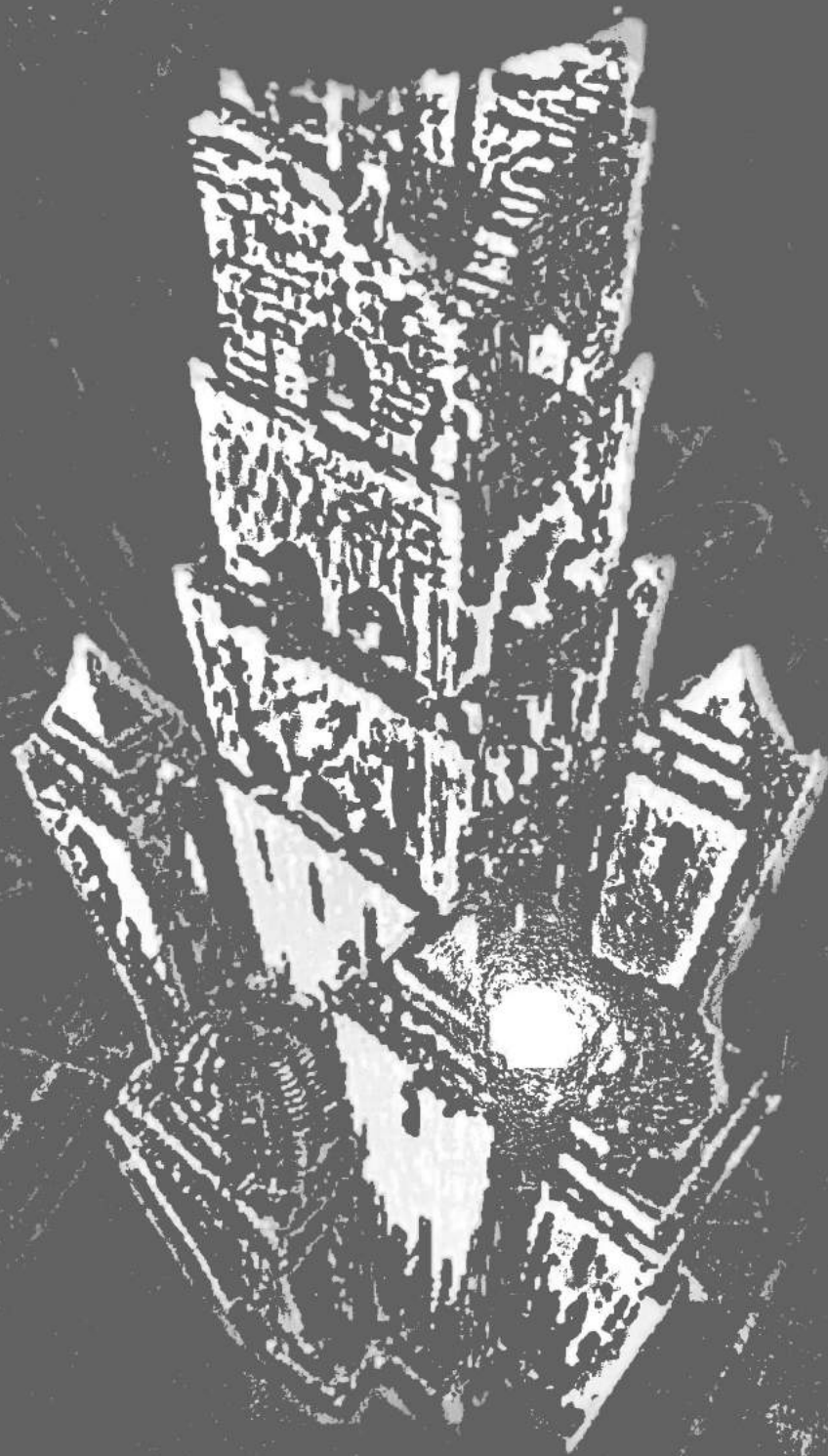


OTHEIMAR SPANN



# The True State

Lectures on the Demolition & Reconstruction of  
Society

*Translated & Introduced by Ellery Edwards*

# The True State



# The True State

Lectures on the Demolition & Reconstruction  
of Society

Held in the Summer Semester 1920

At the University of Vienna

By

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o. ö. Professor of Political Economy and  
Sociology

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Othmar Spann (1932)



University of Vienna (1920)



Spann residence in Neustift bei Schlaining

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## Othmar Spann: A Political Biography

In his semi-autobiographical book *Der Fragebogen* (*The Questionnaire*), a defiant retort to the interrogations suffered by ordinary Germans after WWII, Ernst von Salomon (1902-1972) recalls one of the formative influences in his life;

*"I went to Othmar Spann's next lecture, in the largest of the University's lecture halls, and found a seat on a bench much carved by penknives. On my one side sat a general wearing the uniform of the Austrian Army, on my other a girl in Bohemian clothes. From the very first moment I was enthralled. Spann, who was greeted by a deafening, thunderous ovation, was lecturing on social economy. [...] I cannot deny that I derived an indescribable pleasure from watching him at work. He would produce the major theories of social economy like Father Christmas taking so many bright and pretty balloons from his toy sack: he would blow them up so that they floated, round and handsome, until it seemed that at any moment a friendly updraught would carry the elegant things towards the ceiling: but no: with a prick of his own sharp theory he would burst them, and with a sad squeak and a pfff noise they would slowly collapse until nothing was left save a little, ugly, shrivelled piece of damp rubber: and this Spann would disdainfully push aside with his toe."*<sup>1</sup>

Salomon himself was a popular writer, a veteran member of the Freikorps units established by returning German soldiers after WWI. These roaming bands of armed veterans were instrumental in preventing a full-blown communist revolution in the early days of the unstable Weimar Republic but for the most part were rebels without a cause. Those like Salomon who sought a cause in the shattered nation they returned to, found it in the *Conservative Revolution*<sup>2</sup>, an intellectual movement seeking to entirely redefine German politics and society. While much divided the members of this loose agglomeration of academics, publicists, activists and poets, they were united by all that they rejected: liberalism, democracy, the post-war settlement, capitalism and communism in equal measure, the decline of heroic, aesthetic and spiritual values. For a crippled nation, they prescribed a return to the vital essence which had guided the Teutonic peoples in centuries passed.

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<sup>1</sup> Salomon, E. (1955). *Der Fragebogen* (*The Questionnaire*). Garden City, NY: Doubleday, p.92.

<sup>2</sup> For a complete history of the Conservative Revolution, we recommend Mohler, A. (2018). *The Conservative Revolution in Germany, 1918-1932*. Whitefish, MT: Radix.



The salon politics and occasional militancy of the Conservative Revolutionaries failed to overturn the Weimar Republic before Adolf Hitler's NSDAP secured absolute control of the German state in 1933<sup>3</sup> and thereafter purged them from public life. Nevertheless, their writings have attracted the consideration of many within and beyond the German-speaking world since the end of the Second World War. Not only do they represent a historical curiosity, a path not travelled, a Germany that might have been, but the critiques they aimed at Weimar society remain applicable to the whole of Europe to this day. Salomon was certainly not the only such Revolutionary who would have singled out Othmar Spann as being one of the exemplars of this trend in German thought.<sup>4</sup>

Born October 1<sup>st</sup>, 1878, in the Altmannsdorf suburb of Vienna, then the capital of the Austro-Hungarian Empire, Othmar Spann was the second child of a businessman, Josef Spann, and his wife Wilhelmine who came from a military family. He was still relatively young when his mother died prematurely, and his father's paper factory went bankrupt. These difficult economic years through which he struggled with his older and younger sisters, Hermine and Adele, are likely what sparked the young Othmar's interest in economics, particularly that which related to family life.

A gifted student, he enrolled at the prestigious University of Vienna in 1898, studying philosophy. It is worth noting that at this time, economics had not quite broken through as its own discipline and was still considered a branch of philosophy or political science. Spann would go on to further studies at universities in Bern and Zurich in Switzerland. While at the latter, he suffered an injury to the base of his skull, something which caused temporary bouts of paralysis that he suffered for the rest of his life. Firmly decided upon an academic career, he achieved his doctorate in political science from the University of Tübingen, Germany in 1903 and set out to make a name for himself. He got a job with the *Centrale für Private Fürsorge* (Centre for Private Welfare) in Frankfurt, carrying out research on illegitimacy, its causes and effects, which he published several technical works on between 1904 and 1907. He soon became the leading authority on the subject in the German-speaking world. In addition to assisting in the creation of a new Austrian census, he also

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<sup>3</sup> The *Nationalsozialistische Deutsche Arbeiterpartei* (Nazi Party) established totalitarian rule in Germany following the Reichstag's passing of the enabling act on March 23<sup>rd</sup> which gave Hitler untrammelled executive power.

<sup>4</sup> There are two in-depth biographical accounts of Othmar Spann's ideas and political activities, both of which, while often hostile, were invaluable in putting together this introduction. The first: Haag, J. (1966). *Othmar Spann and the Ideology of the Austrian Corporate State. Master's Thesis (Rice University)*. The second: Wasserman, J. (2014). *Black Vienna: The Radical Right in the Red City, 1918-1938*. Ithaca: Cornell University Press, pp.74-105.

helped found the Dresden-based journal *Kritische Blätter für die Gesamten Sozialwissenschaften* (Critical sheets for the Entire Social Sciences) with Hanns Dorn (1878-1934). This collaboration was pivotal for the young graduate, as his future wife was at that time married to his business partner.

Erika Rheinsch (1880-1967) had been born to a royal Bavarian railway engineer in Trennfeld near Bayern. She had married Dorn, a well-educated publicist, in 1902. It is likely that a mutual interest in women's liberation brought them together, but the marriage was not a happy one. While visiting her husband's offices, she met Othmar, and over the course of a few months the two fell in love. Erika divorced Dorn in 1906, while he himself had fallen for one of her friends. That same year, she became Erika Spann-Rheinsch at a ceremony in Dover, England.<sup>5</sup> It was to presage a life of extensive travel for the husband and wife. Their first son, Adalbert, was born in 1907 in Hessen, their second, Rafael, two years later in Bayern. With a settled family life, it was at this time that Spann could begin teaching.

He took up his first professorship at the German Technical University of Brno (then Brünn) in the Czech lands. Having had a thesis approved by the university, he could begin charging students for courses, initially as an associate, but by 1911 as a full professor. His first textbook, *Wirtschaft und Gesellschaft* (Economy and Society) had been an instant success in 1907, but it was the 1911 release of *Die Haupttheorien der Volkswirtschaftslehre*. (published in English as *Types of Economic Theory*) that saw Spann reap a large financial windfall, the general student guide to economics seeing twenty-eight editions before 1920. When the First World War broke out in 1914, he served as a first lieutenant of the reserves in the Austro-Hungarian army, seeing action on the Eastern Front. He was injured in Lviv (then Lemberg) that same year and saw out the rest of the war guarding Russian POWs and advising the war ministry in Vienna on economic matters. Then, in 1918, the unthinkable happened. Germany and Austria surrendered, and the empire in which Spann had grown up, dissolved. Austria became a landlocked rump state, while ethnic Germans in its former territories found themselves bereft of their once privileged status and outnumbered by hostile majorities. Such was the case in the Czech lands. When Spann returned to Brno, it was a very different place, and the disgruntled professor developed a strong antipathy towards the Czechs, now widely viewed as emboldened oppressors of the German population. This antipathy did him no favours. After slighting the leading Czech statesman, Tomáš Garrigue Masaryk (1850-1937) in one of his lectures, he became

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<sup>5</sup> See the Spann Nachlässe - Biografie Erika Spann-Rheinsch.

*persona non grata* in the city and quickly made plans to leave the newly independent country<sup>6</sup>.

Fortunately, by this time he had gained enough prestige that the University of Vienna offered him a professorship of economics and sociology in the law faculty. Spann's hiring was likely an effort to bring some political balance to the faculty after it took on Hans Kelsen (1881-1973), a renowned liberal jurist who was in the process of drafting what would become Austria's new constitution. Spann, meanwhile, was seen as a man after Karl von Vogelsang (1818-1890), the conservative progenitor of the Christian Social movement in Austria.<sup>7</sup> In many ways the contrast of Kelsen and Spann was a reflection of not only the university, but of the country as a whole. The shambolic abolition of the Habsburg monarchy after the war left Austria with a dysfunctional parliamentary system and a political landscape which had divided the citizenry into two hermetically sealed camps, loyal either to the liberal and Marxist-friendly Social Democrats or the conservative and clerical Christian Socials. The former had their power base in 'Red Vienna' and the big industrial centres, while the latter drew support from the *Bildungsbürgertum*<sup>8</sup> and the rural peasantry. In 1919, Spann would have found Vienna no less altered than Brno, "a huge city of starving, freezing beggars".<sup>9</sup> Once fuelled by the national industries of its various imperial possessions, Austria was now forced to pay high tariff costs for much-needed imports, with many of its neighbours practically blockading it. Food was scarce and almost half the population was unemployed, while just across the border, Hungary witnessed a short-lived communist revolution. It was a nation on edge, and young people were particularly eager for radical solutions.

As an academic, Spann had originally been influenced by the German Historical School of economics but had grown weary of its statistical approach and reformist agenda, instead looking to the German Romantics of the previous century who had turned their backs on Enlightenment rationalism. Chief among these was Adam Müller (1779-1829). A tireless defender of the economic model which had prevailed during the medieval period, Müller excoriated the free-market doctrines of Adam Smith, and tried to call Germans back to the virtues of the hierarchical state, appealing primarily to spiritual values.

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<sup>6</sup> Chyský, V. (2010). *Střední Evropa. Revue pro středoevropskou kulturu a politiku*. Praha: Institut pro Středoevropskou Kulturu a Politiku, 23, č. 134, pp.56-87.

<sup>7</sup> Blinkhorn, M. (2014). *Fascists & Conservatives: The Radical Right and the Establishment in Twentieth-Century Europe*. Abingdon: Routledge, p.105.

<sup>8</sup> A social class emerging in the mid-18<sup>th</sup> century. In contrast to the *petite bourgeoisie* (*Kleinbürgertum*), this upper-middle class clique prided itself on a return to Idealism and the values of classical antiquity, with a particular focus on education over wealth. Many of its members would form the nucleus of the Conservative Revolution.

<sup>9</sup> Braunthal, J. (1948). *The Tragedy of Austria*. London: Gollancz, p.43.



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Nevertheless, his writings were often opaque and contradictory, limiting both his appeal and influence, but Spann saw in them the model for a future Germanic state, an idea whose time had come, and with his own oratorical talents and analytical mind, there was every chance that he could take Müller's ideas to a ready audience in the teetering states of Austria and Germany.

From day one, Spann attracted attention. His lectures were both content-rich and colourful, measured in some respects but furious in others. He had no time for academic niceties and would regularly embarrass his fellow professors by demonstrating the falsehood in their writings, even venturing into domains in which he lacked formal qualification. While this annoyed the faculty, students were enraptured and spilled out into the hall during his packed lessons. 90% of all students passing through the law faculty during the First Republic took Spann's classes. These included future Nobel prize winning economist Friedrich Hayek (1899-1992), the émigré philosopher Eric Voegelin (1901-1985), and the developer of game theory, Oskar Morgenstern (1902-1977). By 1920, the political tide was turning against the dominant Social Democrats due to Austria's worsening economy, and Spann felt secure enough to take a more explicitly radical line in the classroom. The result was a series of lectures entitled *Der Wahre Staat* (The True State), wherein Spann systematically took apart individualist philosophy and Marxist theory before proposing his own economic and social doctrine; *Ganzheitslehre* (the doctrine of totality or wholeness, commonly referred to as Universalism). Taking his cue from Müller, Spann proposed a new zeitgeist for a generation in distress, one which brought man out from the cold solitude of individualism and into a corporative social order in which the animating principle was a common spirit. In this proposed order, ruled by an elite class, each individual would have his place of honour according to whatever role his aptitude suited him for. Meaning and value was to be granted to the individual only in his relation to the *totality*, to the spiritualised organism of the nation, through the socioeconomic mediums of guilds and estates. The theory was consciously inegalitarian and aristocratic, harking back to ages of mystery and adventure. It succeeded in captivating his students, and the lectures were so well received by all in attendance that immediate plans were made to release the content in a book the following year. It was this book which would take Spann from the status of a prominent Viennese academic to a political lightning rod.

If his reputation had preceded him before, he now became a rising star in the materialising trend of anti-democratic thought which would later come to be known as the *Conservative Revolution*. In 1919, a dissident cultural historian and veteran, Arthur Moeller van den Bruck (1876-1925), put together an exclusive circle of right-wing intellectuals in Berlin known as the *Juniklub* (June Club, named for the month in which the Treaty of Versailles was signed), fronted for the most part by the publicist Heinrich von Gleichen (1882-1959). Gleichen's widely circulated weekly *Das Gewissen* (The Conscience) gave men

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like Moeller and his fellow cultural historian, Oswald Spengler (1880-1936), some level of influence on the direction of conservative thought in the early Weimar Republic. Though there was disagreement as to method, all of the Juniklub's members wished to overturn liberal democracy and replace it with their conservative *Prussian* socialism, something many felt had *hidden* support across Germany. Hopes for a military coup or popular revolt came and went however, the country stabilised, and in 1924 the club was dissolved by Gleichen in order that a more elitist direction might be pursued, relying less on a nationalist majority which simply did not exist.

While Moeller's seminal 1923 work *Das Dritte Reich* (The Third Empire) would remain the foundation stone of the Conservative Revolution, its embryonic stage came to a tragic end with his suicide in 1925. Going forward, the movement now steered by Gleichen would cast a wider net beyond the capital in terms of membership but would settle on a vision of *revolution from above*, i.e. building up a German elite who could take control of the state at the opportune moment. To this end, Gleichen organised *Deutscher Herrenklubs* (German gentlemen's clubs) across the country, and relaunched his journal under the new title *Der Ring* (The Ring). The official charter of this new circle read thus: "*The German Herrenklub intends to lay a foundation, as a club, for convening persons with a Christian and nationalistic orientation who have leading or decisive political influence*".<sup>10</sup> While the Juniklub had been for the most part an echo chamber of dissident radicals, the Herrenklubs intended to put the movement's speakers in the presence of Germany's most influential politicians and industrialists, while resisting becoming the tool of any of the existing parties. The varied contributors to *Der Ring* looked back to Prussian reform and the German Romantics for guidance in seeking a national rebirth, a regenerative conservatism. Unsurprisingly, as Herrenklubs and their equivalents gained membership across Germany, Spann became an eminent guest speaker on the circuit, and contributed numerous articles to associated periodicals. While Gleichen oversaw the capital, equally strong sister associations appeared in Hamburg under Wilhelm Stapel (1882-1954), essayist and founder of the monthly *Deutsches Volkstum* (German Folklore), and in Munich under Edgar Julius Jung (1894-1934), a militant nationalist lawyer and former member of the notorious Freikorps Epp.

In October 1924, Spann delivered a speech to Stapel's *Fichte Society* and 500 members of the public in Hamburg<sup>11</sup>, defining the state as the formative expression of *Volkstum*, ruled by those best suited to command. When Jung put together his own Munich club in 1926, Spann was a keynote speaker at the first meeting. Not only was the professor getting a hearing within influential circles,

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<sup>10</sup> Bundesarchiv Koblenz, R 118, Nr. 35, p.62.

<sup>11</sup> Hamburgischer Correspondent (Morgen Ausgabe), Oct. 4, 1924, p.2.

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he was drawing to his banner dedicated disciples of the Universalist doctrine. Jung would write, "*through my close association with the Viennese sociologist Othmar Spann and the study of the Romantics, I found myself irreconcilably opposed to a modern mass democracy.*"<sup>12</sup> He also kept a lively correspondence with the aforementioned Spengler and the mercurial German sociologist Werner Sombart (1863-1941), a fellow traveller with the movement. Eventually, Spann would deliver speeches and guest lectures across Germany, as well as to packed university halls in Italy and Hungary.

We would be remiss to ignore at this stage the emergence of a parallel political force to the Conservative Revolution. Adolf Hitler's NSDAP was founded in 1920 and quickly opened a sister branch in Austria where it found fertile ground among those who had entirely given up on the Austrian state and, following their pan-German sentiments, wished for their own annexation. Spann was one of these, and due to this fact, unlike his colleagues in Germany, he saw Hitler as a potential opportunity rather than a threatening rival. While in hindsight, the naivety of this assessment seems obvious, it should always be remembered why so many were captivated by Hitler. For a people who felt powerless to control their own destiny or reverse the decline of their once mighty culture, the Nazi message of a unified *volk* throwing off the shackles of Versailles was potent. Pan-Germanism, often overlooked by the Conservative Revolutionaries, was foremost on the Nazi agenda and held a special appeal to those beyond the borders of the Weimar Republic. It must, however, be stressed that for Spann, such a political attachment was one between teacher and student. With supreme confidence in his own ideas, he expected to win the party over to Universalism. Had he, like Moeller, personally conversed with Hitler in the early 1920s, he might have also concluded him a lost cause, a "*proletarian primitive*". Instead, he gave the use of his *lecture hall 33* for meetings of the National Socialist Student Union.

In his personal life, Spann's wife Erika had been a constant source of support. She proof-read his works and attentively listened to her husband's lectures on many occasions. She had undergone a process of religious conversion which culminated in 1925 when she became a Roman Catholic (particularly notable as she was in fact a direct descendent of Martin Luther). Throwing herself into the faith which had in many ways informed Spann's understanding of the world, she abandoned her previous liberalism and turned to mysticism in the wake of a pilgrimage to Rome. Already an accomplished poet, a recipient of many awards, her works were popular among Austrian Catholics and she routinely hosted personal readings at the family home in

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<sup>12</sup> Jung to Prof. Vilfredo Pareto, January 16, 1930, Nachlass No. 13.



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medieval period costume.<sup>13</sup> She was also involved in the theatre, designing an awe-inspiring set for a performance based on the life of Andreas Baumkircher (a 15<sup>th</sup> century knight) in Graz. Between exotic family trips to Sweden, Greece and Egypt, she also found time to do guest lectures at the University of Vienna on geology and botany. A devoted wife, she never wavered from supporting Spann's outlook and activities. She would remain an active poet even after her husband's death.

By now, Spann's place in the academy had solidified to the point where removing him became impossible. He commanded huge support among the *Deutsche Studentenschaft* (the nationalist student fraternity) and the *Akademische Legion* (a union of conservative instructors). Further, a close cadre of dedicated followers in the capital began to devote themselves entirely to discussion of Spann's sociological theories, becoming in due course the footsoldiers of his influence network. This came to be known as the *Spannkreis* (Spann Circle), and it ensured that all his future publications received wide distribution and coverage. As early as 1922 they found great success in promoting his book series *Die Herdflamme* (The Hearth-flame) which republished and evaluated several essays by German Romantic writers such as Adam Müller, Johann Fichte (1762-1814) and Friedrich Schelling (1775-1854) among others. The effort to re-popularise Romanticism was met with great fanfare by conservatives across the German-speaking world, garnering Spann further accolades. However, not everyone was enamoured with the Viennese professor.

Lambasting with admiration, the liberal turned arch-conservative Spaniard Ramiro de Maeztu (1875-1936) wrote, "*Othmar Spann is an imperialist, a partisan of the war, and at the same time one of the most brilliant spirits of the new generation*,"<sup>14</sup> critiquing what he saw as the German tendency to totalise the state. Within the circles of German conservatism itself, Spann managed to make a powerful enemy of the prolific legal theoretician Carl Schmitt (1888-1985). After abruptly withdrawing his contribution from a proposed journal, he would write, "*the crucial differences between Prof. Othmar Spann and me are so great that, in my opinion, cooperation on a publication to which both of us would contribute is impossible... I refuse to appear on his side in print, not merely because he belongs to a circle which systematically ignores my work, and which in principle does not cite my name, but also because I currently take*

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<sup>13</sup> Haag, J. (1966). Othmar Spann and the Ideology of the Austrian Corporate State. *Master's Thesis* (Rice University), p.38.

<sup>14</sup> Maeztu, R. (1916). *Authority, Liberty and Function: In Light of the War*. New York: George Allen & Unwin Ltd., p.28.

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a problem such as political philosophy too seriously..."<sup>15</sup> Schmitt's motives here seem obvious enough, but the success of *Die Herdflamme* alarmed him to such an extent that the second edition of his own critique of *Political Romanticism* can be seen as a direct attack on the Spannkreis.

Unperturbed, Spann shifted his attention specifically to the academy itself. His 1924 publication, *Die Kategorienlehre* (The Categorical Doctrine), arrayed his critiques and theories in a manner that directly confronted the sociological establishment of the day. Coupled with the posthumous 1922 release of *Economy and Society*, the parting tome of celebrated sociologist Max Weber (1864-1920), in which Spann was lauded as "*rich in good ideas*" with only "*occasional misunderstandings*"<sup>16</sup>, it was clear that Vienna's most popular lecturer could no longer be ignored. It was agreed that German sociology would convene a congress in Vienna in 1925 to discuss Spann's ideas. The result, however, was a personal blow to the professor. Expected support from Sombart and Ferdinand Tönnies (1855-1936) was withheld, and, conscious of the political implications of theories that were being put forward as purely scientific, the congress rounded on the Universalist doctrine. Spann had ambitiously proposed a complete overturning of the sociological method, which he believed should prioritise the spirit of totality rather than the empirical focus on partial details. This effectively rubbished his colleagues' work. Continued debates on Marxist theory were to be entirely discounted and replaced with a renewed study of Saints Augustine and Thomas Aquinas, along with the Ancient Greeks. Fundamentally, Spann wanted sociology to adopt metaphysics as the key to unlocking the secrets of human relations. An observer of the proceedings, the theologian Karl Dunkmann (1868-1932) summed up the debate in the following way; "*Spann fatally wounded the pride of modern sociology, namely its basis in a natural scientific approach to experience, its pure empiricism... Here came a small knight from a long-forgotten 'dark' Middle Ages, who defeated the entire colony of modern empirical science.*"<sup>17</sup> While even the Marxist sociologist Max Adler (1873-1937) had praise for certain aspects of Spann's work, his proposal was both too grandiose and too revolutionary to be taken up by the fiercely independent minds of German academia, all of whom wanted to shape sociology with their own thinking. Rejected by his peers, Spann resolved that if he could not convince the academy to lead society, then he would convince society to lead the academy. The political activities of the Spannkreis intensified.

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<sup>15</sup> Schmitt to Dr. Alfred Baumler, August 6, 1925, published in Piet Tommissen, *Problemen round de houding van Carl Schmitt in en na 1933, Liber Memorialis* (Limburg, 1979), pp.180-181

<sup>16</sup> Weber, M. (1922) *Wirtschaft und Gesellschaft*. Tübingen: J. C. B. Mohr, p.7.

<sup>17</sup> Dunkmann, K. (1928). *Der Kampf um Othmar Spann*. Leipzig: Quelle & Meyer, p.8.

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In Austria, the Christian Socials now had control of the government, but the political situation across the German-speaking world was stabilising. Radicalism in such a climate was lost on establishment figures. Spann needed a testing ground for his project, somewhere in which sinking into post-war comfort was simply impossible. He had once lived and worked in just such a place. Across the western fringes of Czechoslovakia, Germans felt besieged. They had been excluded from the drafting of the new country's constitution, even while they represented over 20% of its population. Having taken up their banner as 'Sudeten Germans', young people in these regions detested the accommodating stance of their politicians towards the Czech authorities and desired either annexation or independence. A great many, eschewing the Slavic capital of Prague, attended the University of Vienna instead.

Among these Sudeten students were some of Spann's most talented and dogmatic disciples, who met for private roundtable discussions of the Spannkreis at his residence. Having sharpened their own sense of identity in the *Wandervögel* (Birds of Passage, a widespread scouting movement with strong nationalist undercurrents), Spann's ideas of an elite cadre acting as *platonic guardians* of the German spirit was very much in accord with their existing inclinations. None was more dedicated to the cause than Walter Heinrich (1902-1984). Highly intelligent and well-read in his own right, Heinrich was a powerful communicator who formed connections throughout the Sudeten community. From 1926 onward he became a research assistant at the university and acted as Spann's personal confidant. Ernst von Salomon would describe "a pale, thin, fanatical man, incredibly learned, a wild and deadly intellectual."<sup>18</sup> Together with another veteran of the *Wandervögel*, Heinz Rutha (1897-1937), he studied the history of secret societies which exercised great influence on public affairs from the shadows. Such examples inspired the creation of an explicitly political circle whose goal was to achieve independence for the Sudetenland and the imposition of Spann's social and economic theories through a caste of elites-in-waiting, the *Kameradschaftsbund* (Comrades Association, often referred to as the KB). Heinrich and Rutha oversaw an effective, hierarchical pressure group, headed by a council of fifteen members who passed orders down a chain of recruits sourced from seminars and study circles with disguised motives. Their identities were kept secret, even from most of the other membership. Total numbers are difficult to ascertain, but the KB successfully infiltrated a breathtaking number of student organisations, press organs and political parties during the 1920s. Its journal, *Die Junge Front* (the Youth Front) disseminated the ideas of various Conservative Revolutionaries to Sudeten students across Czechoslovakia, including those of the symbolist



poet Stefan George (1868-1933) and Walter Heinrich himself under the pseudonym Konrad Fest.<sup>19</sup>

The pinnacle of these labours was the infiltration of the *Deutscher Turnverband* (German Gymnastics Federation), a sporting club which connected almost every politically active Sudeten German, and which, through its exclusion of Czechs, became a focal point of the Sudeten identity itself. By 1929, the KB had a solid foothold in the federation's leadership through its operatives; Konrad Henlein (1898-1945) a mild-mannered former bank clerk, and Walter Brand (1907-1980) who was Spann's secretary and the treasurer of the KB. Using Henlein and Brand as conduits, Heinrich and Rutha recruited further members inside the federation itself. The stage was being set for a Conservative Revolution, not just in theory, but in practice.

Back in Austria, events turned once again in Spann's favour. July 1927 saw a deadly riot break out in the capital in which members of the Social Democrats' paramilitary wing, the *Republikanischer Schutzbund* (Republican Defence Corps) occupied the Palace of Justice to protest the increasingly conservative government of Ignaz Seipel (1876-1932), a Catholic priest turned politician. 89 were killed in the struggle and a further 600 were seriously injured. The enmity between the two political camps of Austria became insurmountable after this point, and both industrialists and the Church in particular became as concerned as their German counterparts about the possibility of a communist insurrection. The ideas found in *Der Wahre Staat* gained a new relevance with such audiences. The prior of the Viennese Dominican convent officially endorsed Spann's works, while members of the Spannkreis became frontline contributors to *Die Schöner Zukunft* (The Brighter Future), a leading Catholic periodical. The professor also turned his hand to metaphysical questions with his 1928 book, *Der Schöpfungsgang des Geistes* (The Path of the Spirit's Creation). In the idyllic mountain village of Gaming, gatherings of Spann's students and loyalists took place against the backdrop of a ruined monastery, of ancient Germandom. The future, according to Spann, would be charted not by the decrepit authorities established on empiricism and rationalism, but instead by a youth trained in the art of *intuiting* the essence of totality, an intuition nurtured by feats of symbolic endurance such as jumping through fire. Agents of industrial interests from as far away as Düsseldorf, impressed by such gatherings, further enriched Spann with private donations, money which was inevitably funnelled into the Spannkreis and the activities of the KB in Czechoslovakia. Ignaz Seipel himself had several private meetings with Spann and by 1929 came to accept his ideas completely, alas having resigned the office

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<sup>19</sup> Haag, J. (1973). Knights of the Spirit: The Kameradschaftsbund. *Journal of Contemporary History*, 8(3), pp.135-142.

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of prime minister that same year. He would be assassinated by socialists three years later.

Ever diligent, Walter Heinrich was not aloof from events in Austria. Given the heightened tensions with the left's paramilitary, the right's equivalent began to swell in membership. The *Heimwehr* (Home Guard) were Austria's version of the German Freikorps, though with a more solidified command structure. Heinrich, along with another Spann acolyte Hans Riehl (1891-1965) took up leadership positions in the movement, and just as in Czechoslovakia, they endeavoured to turn it into an instrument for Spann's philosophy. The Korneuburg Oath which laid out the Heimwehr's goals in explicit fashion in 1930 was ghost-written by Heinrich and Riehl. It is produced in full below:

*"We want to fundamentally renew Austria! We want the Republic of the Heimwehr. From every comrade we demand: an unshrinking belief in the mother country, utter fervour of cooperation and a passionate love of the homeland. We want to reach for power in the state and recognise state and economy for the benefit of the entire people. We must forget our own interests, must subordinate all the ties and demands of the parties to our objective, because we wish to serve the community of the entire German people. We reject Western democratic parliamentarianism and the party state. We want to replace it with the autonomy of the estates and strong governance that will not be formed from party representatives, but from leading figures from the major estates and the most capable and proven men of our popular movement. We shall fight against the corruption of our people by the Marxist class struggle and the liberal-capitalist economic system. We want to realise the autonomy of the economy on the basis of profession. We shall overcome the class struggle and establish social dignity and justice. We want to increase the prosperity of our people through a native economy of public utility. The state is the embodiment of the people as a whole; its power and leadership ensure that the estates remain integrated in the imperatives of the national community. May every comrade feel and avow himself to be an upholder of the new German state wisdom; may he be prepared to sacrifice property and blood; may he know the three powers: belief in God, his own firm will and the word of his leaders."*<sup>20</sup>

Unfortunately, infighting and indecision hampered the Heimwehr's ability to attain its goals, and its existing leadership lacked the appetite for a coup despite increasing political tensions in the capital. Spann's influence continued to grow regardless. He had huge success in placing an unusual number of his own students into academic posts; Heinrich and Riehl, Wilhelm Andrea (1888-1962), Ferdinand Westphalen (1899-1989), and Jakob Baxa (1895-1979) to

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<sup>20</sup> Lauridsen, J. (2007). *Nazism and the Radical Right in Austria 1918-1934*. Köpenhamn: Museum Tusculanum Press, p.197.

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name a few.<sup>21</sup> By the end of the decade, the Spannkreis numbered between fifty and one hundred academic members in Vienna alone, “the vast majority of whom were professors, Privatdozenten, and other scholars with Pd.D. ’s.”<sup>22</sup>

It is important to make clear that Spann, while a thought leader on the nationalist right, was an obstacle rather than a handmaid to extreme antisemitism, especially among his students. Where *völkisch race science* had run most rampant, Spann always maintained a distaste for both its materialistic determinism and demagoguery. As a professor, he graded erudite Jewish students well and did not engage in racialist polemics, either in the lecture hall or in print. While abhorring certain Jewish academics, particularly those who tried to reinterpret key intellectual and poetic figures in German history, Spann believed that Jews had a positive future in the coming empire, only one in which they would be excluded from leading roles in political and academic life in favour of a particular *niche* where they might develop their most positive aspects. Spann’s own racial doctrine transcended biology, positing a rather malleable system in which *spirit* rather than blood was the deciding factor. The Germanic spirit was superior to virtually all others, but its role was that of a model to which *lesser* peoples could aspire. In this peculiar view, *outstanding* Jews could in fact choose to become German, while a great mass of modern Germans had ceased to be so through their adherence to the spirit of the French Revolution. These ideas would mark Spann as a dangerous element to the Nazi regime, but they served well to distinguish him from the milieu he was to be entangled with.<sup>23</sup>

In 1931, a new print venture was launched, the *Ständisches Leben* (Corporatist Life). This monthly journal provided a strong platform for Conservative Revolutionary writers in Vienna, Spann’s students among them. The string of successful books also continued with 1932’s *Gesellschaftsphilosophie* (Social Philosophy).

At this time, Ernst von Salomon was in the south of France, perhaps seeking refuge from German authorities after his brother was involved in a bomb plot. He himself had participated in the assassination of the German foreign minister ten years earlier, and Spann had likely learned of his whereabouts through contacts in Conservative Revolutionary circles. Out of the blue, he wrote to Salomon requesting his presence in Vienna to study Universalist doctrine, and sent 10,000 francs to settle some of his prospective student’s debts and fund his

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<sup>21</sup> Academic biographies of most of Spann’s prominent students can be found in Olechowski, T., Ehs, T. and Staudigl-Ciechowicz, K. (2014). *Die Wiener Rechts und Staatswissenschaftliche Fakultät 1918-1938*. Göttingen: V & R Unipress, pp.590–602.

<sup>22</sup> Wasserman, J. *Black Vienna*, p.92.

<sup>23</sup> Haag, J. (1973). The Spann Circle and the Jewish Question. *The Leo Baeck Institute Yearbook*, 18(1), pp.93–126.



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travel. For his part, Salomon would describe his professor as the most stimulating and yet most exhausting person he ever knew, “a small, thin man with the head of an actor. And to start with this strange mixture of ascetic scholar and cunning politician seemed to me really to be an actor. Grey-haired and clean-shaven with lines of mimicry on his face, if he had no affectations it was surely because an absence of pose is the hallmark of the highest histrionic talent. He was Catholic, Catholic throughout, in the Austrian style that makes no great business of religion though permeated with Catholicism through and through.”<sup>24</sup>

However, after extensive study, he concluded that Spann’s “mania” for trying to fit everything into a single coherent system blinded him to the political realities of industrial Germany. In short, he found Spann’s philosophy too idealistic. It’s not possible to say exactly what had motivated his recruitment, but the account in *Der Fragebogen* implies that Salomon was being fashioned to lead an insurgency in the Sudetenland, which he visited with Spann’s sons. Feeling ill-equipped to lead such an effort, and with the greatest sense of sorrow for the Sudetenlanders, he could no longer continue with his mentor.<sup>25</sup> The two men went their separate ways the following year, to Spann’s great disappointment, but 1933 was a year of even greater changes.

At the beginning of March, the Austrian parliament accidentally abolished itself when all three of the house presidents stepped down simultaneously. The resulting constitutional crisis was seized upon by the diminutive then-chancellor Engelbert Dollfuß (1892-1934), who refused to reinstate the parliament. A successful former agriculture minister propped up by a single-vote majority, he led the Christian Socials in finally crushing their socialist opposition and installing a dictatorship, with the backing of the police, the army and the Heimwehr. For a time, however, this all appeared as routine Austrian political chaos and wasn’t truly settled until February the following year.<sup>26</sup> Spann was focused on the prize of finally consolidating his own intellectual domination of the Catholic right in Austria. In 1931, Pope Pius XI had released his encyclical *Quadragesimo Anno*, a clarion call against both capitalism and communism which seemed to pine for a system not so unlike that which Spann had outlined in *Der Wahre Staat*. Sensing their opportunity, the Spannkreis launched an all-out attack on Catholic moderates and their continued defence of the democratic system, but the resulting firestorm led to ambiguous results, and while Universalist ideas gained further traction among Catholic traditionalists and monarchists, many bridges were burned in the process.

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<sup>24</sup> Salomon, E. *Der Fragebogen (The Questionnaire)*, pp.92-93.

<sup>25</sup> Ibid. pp.94-99.

<sup>26</sup> The so-called *Austrian Civil War* of 1934 lasted all of four days and consisted of pitched street battles between the government and socialist insurgents.

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By the end of the month, in Berlin, the Nazis had seized absolute control of Germany. One of the other issues which had divided Spann and Salomon was the latter's strong aversion to Nazism and the danger that its dynamism posed, even while Spann continued to believe he could somehow exert control over it.

Naive to the realities of the new German regime, and resentful of its Austrian counterpart which had blatantly plagiarised his ideas, Spann dismissed the latter as an "eerie, carnivalesque joke" and doggedly pursued approval from the former. The bitter irony was that Dollfuß, while paying lip-service to the Catholic moderates, was in fact trying to implement Spann's ideas, almost word for word. Undoubtedly, pan-German aspirations, opposed by Dollfuß on principle for as long as Hitler held power, played a huge role. Overtures to the Nazis had in fact begun far earlier. Both Spann and his wife were members of the *Kampfbund für Deutsche Literatur* (Militant League for German Literature), an organ of Nazi ideologist Alfred Rosenberg (1893-1946), and Spann himself had delivered a lecture at the University of Munich in 1929 with both Rosenberg and Hitler in attendance. By all accounts, neither were impressed. Once the Nazis took power, the Spanns became secret members of the Austrian NSDAP (then illegal) and collaborated with its propaganda magazine, the *Osterreichischer Beobachter* (Austrian Observer). Because of these connections, the government harassed his eldest son, kept the family under close observation, and cruelly prevented Spann from becoming rector of the university. All of this paled when compared to what his German colleagues would endure.

On June 30<sup>th</sup>, 1934, the Nazis purged their own ranks of anyone who might challenge Hitler's leadership, and carried out retribution against their conservative opponents. Those killed during this *Night of the Long Knives*, included not only Edgar Jung but also the former chancellor Kurt von Schleicher (1882-1934), who had funded several Conservative Revolutionary groups and openly embraced Spann's vision. In the coming years, the Nazis shut down discussion circles and censored any publications which continued to argue against Nazism from a conservative standpoint. Some Revolutionaries became collaborators with the regime while others formed the bulk of the serious anti-Nazi resistance in Germany. Most simply retired from public life. The violence of 1934 recognised no borders, and less than a month after the wave of assassinations in Germany, militant Nazis in Austria stormed the chancellery and brutally murdered Dollfuß in a failed coup attempt. He was succeeded as dictator by Kurt Schuschnigg (1897-1977), but every day brought the prospect of *Anschluss* (German annexation) closer.

It was not long after this that Spann seemed to awaken to the fact that he had grossly overestimated his ability to influence the Nazis in a positive direction. His numerous visits to Germany during this time were not warmly received, and he ended up giving his support to Schuschnigg's government. The Spannkreis made one last attempt to change the course of the Nazi regime,

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focusing on its *Nuremberg Laws* of 1935 which targeted Jews and enshrined biological racism into law. Under the name of one of its members, Dr. Paul Karrenbrock (1892-1966), the circle released *Lösung der Judenfrage in Deutschland* (Solution for the Jewish Question in Germany), an eighty-four page pamphlet sent to several hundred prominent party leaders, public intellectuals and industrialists. It was to constitute "one of the very last attempts on the part of non-Nazi conservatives to voice a critical utterance not only on the course of Nazi policies towards the Jews, but on the general direction the Third Reich was taking as well."<sup>27</sup> The pamphlet urged the country to abandon its materialist and destructive course concerning the Jews, and engaged in a lengthy refutation of Alfred Rosenberg's racial ideology, positing Spann's ideas as a replacement. The party quickly seized all copies and had them shredded, but it would never forget this act of defiance.

In fact, the only positive development for Spann in Germany after this point was his growing relationship with Fritz Thyssen (1873-1951), a wealthy Ruhr steel and mining magnate. Often regarded as one of the Nazis' most generous donors and sometimes (quite falsely) its puppet-master, Thyssen had supported Hitler's ascension to power at every step. He had first heard Spann's ideas during conferences of the Ring group and, like Jung and Schleicher before him, had become a fervent supporter. A victim of the same illusions as his mentor, Thyssen somehow believed the Nazis would build an estates-based economy under his leadership and founded in 1933 the *Institut für Ständewesen* (Institute for the Estates) in Düsseldorf for this purpose. Walter Heinrich became its director. While the institute had the backing of senior economic officials in the German government, it was undermined not only by Thyssen's rivals in industry, but the party hierarchy, which was becoming increasingly aware of, and hostile to, the Spannkreis. Robert Ley (1890-1945), a party loyalist pursuing a far more centralising economic agenda, went to great lengths to have the institute shut down on the grounds that estates would compromise the unity of the German race. It closed its doors in 1936. While protesting this development, as well as the growing Nazi hostility to Roman Catholicism, Thyssen finally broke with the party after the pogrom of *Kristallnacht* (the Night of Broken Glass) in 1938. His opposition to the war led to his eventual arrest and internment in Dachau concentration camp while the Nazis nationalised his assets.

In Spann's former stomping grounds, the KB had gone from strength to strength during the 1930s. Konrad Henlein had become president of the *Deutscher Turnverband* in 1931, and when the Czech authorities moved to ban the two existing German nationalist parties, his reputation as an affable everyman meant that he was well placed to found a unifying successor, a party

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<sup>27</sup> Haag, J. The Spann Circle and the Jewish Question. *The Leo Baeck Institute Yearbook*, p.93



that could bring together the German minority in a total rejection of Czech rule. This would eventually become the *Sudetendeutsche Partei*, (Sudeten German Party, or SdP for short). More than a German nationalist, Henlein was a Sudeten nationalist, seemingly committed to establishing an independent state under the leadership of the KB, however, entering party life meant embracing elements which were sympathetic to, or paid outright by, Hitler's government, chief among them his own deputy, Karl Hermann Frank (1898-1946). The KB and the National Socialists battled for control of the party as its power grew. In 1935 it had become the largest party in the Czech parliament and secession was beginning to look like a real possibility. In retrospect, this was probably the closest Spann's circle of acolytes came to wielding political power, but in 1937, the entire project in Czechoslovakia came to an abrupt end.

Czech police, aided rather ironically by Nazi informants, arrested both Heinz Rutha and Walter Brand on suspicion of sexual misconduct dating back to their years in the Wandervögel. These charges gave the pro-Nazi faction in the SdP the ammunition needed to eliminate the KB's influence inside the party and isolate Henlein. Even after Rutha hanged himself, Henlein maintained public support for his friend, but the damage was done. The SdP became little more than a vehicle for the Nazi annexation of Czechoslovakia in 1939, and after this point, the *acting protector of Bohemia and Moravia* and favourite of Hitler, Reinhard Heydrich, hunted down any remaining KB sympathisers and threw them in concentration camps. The following year, he forced Henlein to publicly denounce Rutha and abandon all claims on the part of Sudeten Germans to be a distinct group.<sup>28</sup> Ultimately, when Germany lost the war, the Sudetenland ceased to exist, and its population was deported en masse by the restored Czech government. Tens of thousands were massacred. Henlein committed suicide in American captivity in 1945.

Not content with decapitating Spann's political influence outside Austria, the Nazis had launched a propaganda campaign against him from 1936 onwards. This was spearheaded by the vengeful Alfred Rosenberg, with writings disseminated through organs such as the *Osterreichischer Beobachter* and SS publications. Spann was denounced as an unbeliever in Nazi racial ideology, a self-promoting 'pope of intellectualism' whose Catholicism rendered him entirely unsuitable for any role in German politics. In turn, Spann described the Austrian Nazis as "*subhuman*" people. Despite deteriorating political prospects, he continued to publish, *Naturphilosophie* (Natural Philosophy) being released in 1937.

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<sup>28</sup> Upon hearing news of Heydrich's assassination by Czech partisans in 1942, Henlein celebrated by getting blind drunk. Cornwall, M., Rady, M.C. and Haynes, R. (2011). *In the Shadow of Hitler: Personalities of the Right in Central and Eastern Europe*. New York: I.B. Tauris, p.221.

When Anschluss finally came in March 1938, all he could do was put on a brave face. As German troops streamed across the border to formally end Austria's independent dictatorship, Spann gathered his family to his remote manor home in Neustift bei Schlaining. His long-held dream of a unified Germanic reich, an empire which could avenge German grievances against the Czechs and the Western allies, had been realised. It just had no use for his ideas. Toasting with champagne, he declared this day "*the most beautiful day in my life*". That night, the German secret police arrived at his home, which they promptly ransacked. Spann, his youngest son Rafael, and Walter Heinrich were some of the first arrests in annexed Austria. Having been in ill-health since a car accident in 1927, Spann did not hold up well under interrogation in Munich. Sustaining injuries to his eye socket, he developed glaucoma and suffered diminished vision thereafter. He remained in custody until August when he was allowed to return to Austria. In the meantime, he had been placed on indefinite leave and then forcibly retired from the university. His pension was confiscated three years later. His activities during these years under effective house arrest are not well documented, but we may gain some insight from our treatment of his sons below.

After the war, Spann made every effort to reclaim his post. The university reinstated his professorship and his pension, but it was made very clear that he would never teach again. His leave was maintained until he reached pensionable age in 1949. Having published his last major work, *Religionsphilosophie auf geschichtlicher Grundlage* (Religious Philosophy Based on History) in 1947, he left public life and dedicated his time to spiritual study. A series of discussion groups in these final years laid the groundwork for Walter Heinrich to continue his legacy with the *Gesellschaft für Ganzheitsforschung* (Society for Holistic Research), which operated its own journal up until 2006.<sup>29</sup> Othmar Spann died in his home, one year after his official retirement. The university had been his life.

Spann's eldest son, Adalbert, had studied economics and law at numerous prestigious universities, including Munich, Grenoble, Paris, and his father's haunt of Vienna. For the most part, his young adult years found him working in private industry, however he also had a political life as a keen young activist for the NSDAP in Austria, having no doubt imbibed his father's pan-German sentiments. Following Spann's political exile, he eventually joined the internal opposition to Hitler. He briefly 'infiltrated' the SS Leibstandarte after the Anschluss, but was soon dishonourably expelled, likely being tainted by his surname. He was drafted into the Wehrmacht and killed on the Eastern Front in 1942, a casualty of the Yelnya Offensive in which the Soviet Union inflicted

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<sup>29</sup> Further detail can be found in Hakl, H. (2013). *Eranos: An Alternative Intellectual History of the Twentieth Century*. Sheffield: Ct Equinox Publ.

23,000 losses on Germany. It was one of the battles which presaged the collapse of Operation Barbarossa.

The younger son, Rafael, like his brother was a well-travelled and well-educated youth having studied at Vienna, Grenoble and Palermo. His time in Italy had won him important contacts in intellectual circles, and he translated Italian political theory into German. After Anschluss, he was arrested with his father, but Rafael was held for a considerably longer period, nine months of which were spent in the direct custody of the Gestapo in Berlin or the Sachsenhausen concentration camp. Upon release, it was not long before he joined his brother in the Wehrmacht, being stationed on the Western Front where he won an Iron Cross in the French campaign. He was not to entirely avoid his own encounter with the Soviets, who deported him to Moscow during their occupation of Austria in 1948. He was only allowed to return in 1955, by which time his father had already been dead for five years. Rafael saw the custodianship of his father's work as his life's purpose, a mission which was also taken up by Walter Heinrich. There is every indication he intended to be a figurehead of the Conservative Revolution in the post-war era, however by this time, there was no appetite in Europe for any form of truly conservative politics. His last venture was an obscure and mysterious organisation called the *Chronidenbund* (League of the Chronids) he set up with the Italian esoterist and *Traditionalist* philosopher Julius Evola (1898-1974).<sup>30</sup> Rafael died in 1983 in Vienna after a horse-riding accident.

Both of the Spann brothers were members of a secret resistance group during the Nazi occupation of Austria. Led by the businessman Karl von Winkler (1912-1988), the *Astra Group* was formed in 1936 and primarily consisted of those who had been close to the murdered Edgar Jung.<sup>31</sup> While it was historically overshadowed by its counterparts in Germany, it was in every sense an active resistance cell. Two of its members plotted assassinations. Wilhelm Freiherr von Ketteler (1906-1938), an attaché to the German legation in Vienna, had made plans to shoot Hitler from the embassy window directly following Anschluss, but was caught beforehand and secretly murdered. Nikolaus Christoph von Halem (1905-1944) was arrested for similar plotting in 1942, tried, and executed two years later. That Spann would have been unaware of his sons' activities during this time is highly unlikely, though to what extent he aided the resistance efforts will perhaps never be known.

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<sup>30</sup> Both Othmar and Rafael had been published alongside Evola in the Italian magazine *Lo Stato* during the interwar years, and there are some indications that Evola was at least passively involved in the resistance efforts in Austria. His own racial ideology was strikingly similar to that of Spann. More information can be found in Hansen, H. (1998). Julius Evola und die Deutsche Konservative Revolution. *Criticón*, 158, pp.16-33.

<sup>31</sup> Ibid.



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Spann is rarely discussed today, despite his sizeable influence on the academy of the 1920s-30s, and the numerous important political and intellectual personalities he kept correspondence with. Like almost all figures of the German Conservative Revolution, his political thought remains fundamentally out of step with contemporary discourse. Especially since the collapse of the Soviet Union, avowedly illiberal ideas are viewed with intense hostility by both the academy and a good portion of the European public, which finds itself in ideological stagnation in the 21<sup>st</sup> century. All the more reason for Spann to be given the opportunity to challenge and intrigue us today.

Far more than a mere publicist or political actor, Spann was a recognised public intellectual and systematic thinker in interwar Austria. In his quest to repurpose the Romantic tradition as applied to the philosophical, economic and sociological thought of his era, he provides poignant commentary on issues still under discussion to this day. It is likely that, along with the general thrust of his political viewpoint, Spann's pro-Nazi sympathies were at least in-part to blame for the astonishing gap in English-language translations of his work. For the longest time, only the philosopher Martin Heidegger (1889-1976) was able to overcome the *black mark* placed on anyone with even the slightest connection to Hitler's Germany. Thankfully, time has worn down post-war prejudices and allowed new generations to examine thought from arguably the last era of meaningful political and philosophical debate. This process began with the academic rediscovery of Carl Schmitt in the 1980s and continues today with renewed interest in the German Conservative Revolution, of which *The True State* is certainly an indispensable text.

Our sincere hope is that this introduction has revealed the nuance of Othmar Spann's academic life and provided context for his beliefs. In bringing this work to a new audience, a century-long chapter of disregard for one of Austria's most brilliant (if controversial) minds can finally come to a close.

We have taken care to enter into little in-depth discussion of Spann's ideas in this biography. Doubtless, the professor would rather be allowed to speak for himself.

Ellery Edwards

## Translator's Note

Translating German texts which deal with philosophical subjects is notoriously a herculean task, and *The True State* is no different. Spann often makes use of terminology difficult to render in English, as well as words that have historically been contested in their meaning by German philosophers. We have made every effort to ensure that, given the broader context of the message, the translation not only accurately relates what is being said, but also allows for the reader to follow the flow of argumentation.

All of Spann's original footnotes are included here, as are editor's and translator's footnotes where necessary. This is to account for references which might be obscure for the modern reader, either due to their German origin, their time period, or simply their being exclusive to the conscience of those studying philosophy, sociology and economics at an academic level. We have assumed a novice's knowledge of these topics on the part of the reader, in order that the work might prove accessible beyond Spann's original audience of social science students. We have also assumed that the reader is not classically educated, something which would have been a given at the time of writing but is less common today. Where references are made to particular sources, we have updated these insofar as possible to reflect more accessible editions. Where English translations exist, we have swapped out the German references in favour of these. Of course, the publishing dates in such references do not necessarily refer to the date of first publication. References to classical Ancient Greek texts are given in their standard form, and where direct quotations are used, we have added the direct text reference, whereas Spann had originally only indicated the book in question.

Where appropriate for enhancing the flow of the text, certain bracketed notes have been turned into footnotes. All bolding and italics in the text occur in the original.

Having been compiled from the draft material of lectures delivered at the University of Vienna, the formatting of *The True State* is not always intuitive. As Spann lays out in his introduction, the book can be broken into three parts, a 'first preparatory part', a 'second examining part' and a 'third synthesising part'. The first part, however, has two sections, and its first section has two subsections. Interspersed across these divisions are thirty-six chapters. This structure has been preserved in its entirety, but is laid out here in a style more in keeping with today's standards.

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In our effort to give this text the care and attention it deserved, we had significant help. Special thanks to Felix Bäcker for his translation review and many thoughtful recommendations, Fin E. for proof-reading, Andrej Sennoy for assisting with the editing process (including his contribution of a multitude of painstakingly researched footnotes!), and Klara Ebner for additional source material. Many thanks also to unnamed staff at the University of Vienna and to the work of the Federal Institute for the Culture and History of Germans in Eastern Europe (BKGE).

As a final word, this edition of Spann's magnum opus has very much been a labour of love, requiring a huge amount of patience and time. However, in grappling with the author, as all translators do, my appreciation for both his writing style and occasional wit grew with each reread, and I regret not a single hour spent with the professor. Hopefully the reader comes away from *The True State* feeling the same. I dedicate this edition to the German Conservative Revolutionaries, and to those bringing their ideas to light after nearly a century of lamentable academic indifference.

Ellery Edwards

## Introduction

In the history of the social sciences, the short periods of political and social upheaval are always the hours of the richest harvests, periods such as these which convey the most vital and immediate knowledge. For now, forces are unleashed which were formerly hidden. What had slumbered and, as it were, lived only in the state of possibility, is now being transformed into reality, and what was real must relinquish its existence. In doing so, it is not annihilated in the plane of historical being, but simply sinks into the state of the possible, slumbering in the background, and distant times will once more (in their own way) draw from such banished possibilities and raise old ways of life to reality. It is clear that only in observing such aspects of coming and going, in seeing the old and the new, the surface and the depths from which all things arise, can we open our eyes to the inner nature of social processes, but the periods of stagnation and equilibrium present to our eyes the surface as the only reality, and attribute to it the darker powers and afflictions of the deep.

It is no small matter to grant ourselves clarity here. The problem is no different for man himself, who is the very image of society in this respect. The healthy person knows the basics of his sensual and mental powers only poorly and considers sturdy that which is built on shaky ground. In illness, on the other hand, people step from their previous state, develop and alter the range of their feelings and experiences. Healthy states recede, new feelings come forth, pain, foreboding, joy in the wake of the new senses and new insights which become our gain. Perhaps we will finally step out from our old sentiments and live in late health like well-travelled and purified men. Thus, the side of revolution is always the side of change in the prevailing journey of social sentiment, new eras of human interaction based on the powers and contents of the human souls of those belonging to previously restricted layers of society, now freed. If the principality gives way and unrestricted democracy holds its footing, our coexistence will be based to an infinitely greater extent on equality as opposed to the (previous) authorities and their fixed order; and through the increased validity of the feelings, views and tastes of the great crowd will be put into effect a spiritual power which was formerly bound, which used to be more material than form, more a force that followed rather than led.

Anyone who considers this will realise how, through changes arising from the depths of life, the social organism opens its most secret chambers, and will comprehend what has been said at the outset that all the great discoveries of the



social sciences originate from such times. Aristotle<sup>32</sup> and Plato<sup>33</sup>, when they took the doctrine of the state to the highest summit, witnessed democratic and aristocratic coups, even Bolshevik revolutions.<sup>34</sup> Machiavelli<sup>35</sup> lived in the vicissitudes of the Renaissance, Ricardo<sup>36</sup>, Adam Müller and List<sup>37</sup> saw the French Revolution and the Napoleonic Wars.

Even today we see a mighty death and becoming, and the invisible persons of this drama must recognise the true inner nature of these processes; their true inner nature! This knowledge must stand at the beginning of every fruitful investigation of the social sciences (and it is already established by the above considerations): that revolutions and new social structures are never a mere change of form as such, or even an effect of external 'interests', or blind, mechanical processes, but always concern internal powers of the soul, the validity of their sacred values; everything that happens in history and society is in the spirit of our spirits, is in the life of our own innermost life.<sup>38</sup>

The first aim of these lectures is, therefore, to be a critique of the inner nature of our time, of the zeitgeist, in the two senses of the word critique, that is, a breaking down of the zeitgeist and a chemical analysis of its inherent nature: first, a breaking down of the various entities and powers operative in our time, both in the historical (genetic) sense, and in the dividing/differentiating, i.e. systematic sense; secondly, a separation of truth from falsehood, the higher from the lower, i.e. a direct critique of the divisions we find, in the sense of the

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<sup>32</sup> (Ed.) Aristotle (385-323 BC): Ancient Greek philosopher and student of Plato.

<sup>33</sup> (Ed.) Plato (424-348 BC): Ancient Athenian philosopher whose *Theory of Ideas* held that all physical things were imitations of ideal forms

<sup>34</sup> See Pöhlmann, R. (1912). *Geschichte des Altertums*. Munich: Beck, Vol I, pp.184 and 416, Vol II, p.425. Also, Thucydides' *History of the Peloponnesian War*, Vol. III, p.70, Vol. VIII, p.21.

(Ed.) Robert von Pöhlmann (1852-1914): Minor German historian of antiquity. Spann is likely referring to *Geschichte der Sozialen Frage und des Sozialismus in der Antiken*.

(Ed.) Thucydides (460-400 BC): Athenian general and historian.

<sup>35</sup> (Ed.) Niccolò Machiavelli (1469-1527): Italian political philosopher who taught that immorality was a necessary and effective part of wielding political power.

<sup>36</sup> (Ed.) David Ricardo (1772-1823): British economist and free trade advocate. One of his most important contributions to economics was the labour theory of value.

<sup>37</sup> (Ed.) Friedrich List (1789-1846): German-American economist and founder of the German Historical School of economics. A liberal nationalist, he defended protectionism as an economic policy.

<sup>38</sup> (Tr.) Both of the German words *Geist* and *Seel* are used throughout Spann's work. While often translated as *spirit* and *soul* respectively, each has a notoriously difficult double-meaning. In certain contexts, both can refer to the mental or intellectual, and even psychic or emotional. In each case, we have chosen a translation based on the context or broader argument, though its meaning may be more substantive.

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examination of their truth, their value. Both of these methods of separation contain something constructive and positive, since neither the genetic nor the categorical distinctions, and even less so those which involve an assessment of value, can succeed without a simultaneous knowledge of the positive and the true; this finally leads us to our second aim of recognising truth and aspiring to it ourselves.

In the following work concerning the first method (the genetic), it is necessary to attain a historical view of things which is both backward-looking, recognising that which is in fact coming to an end, entering the slumber of Sleeping Beauty, stepping back into a state akin to non-existence for centuries; and also forward-looking, recognising the new which approaches, entering the world-historical stage from the depths of life, this new becoming which starts out on its journey as a true historical force, unfolding its wings from the chrysalis.

With such a genuinely historical view of things, we will conquer the appropriate consciousness of this turning point in world history, in which we live. For today we have no mere crisis in this or that country, this or that political party, this or that political principle, of this or that form of state, of this or that reformism, no partial crisis or sum of it, but a crisis in the general way of thinking, the direction of ideas, in a word, of the whole *zeitgeist*. It is one of the fundamental ideas of these lectures (to be demonstrated later) that today we are dealing with not only a narrow political-economic crisis, but with a complete reversal in the historical age. Our revolution is not the same as the French Revolution; for with that event came a long-prepared intellectual revolution, a long-standing idea, individualism, a finite and perfect political breakthrough. Our revolution and turning point, on the other hand, concerns an old direction in thought which held sway; that of individualism being abandoned, dying away as a new way of thinking is raised, a new way of life is sought. However, this is not an empty thought which will simply emerge today; but a new idea which needs to be born first, needs to shape itself. Therefore, one can (and later we shall justify this) compare our modern times with the Renaissance and the rise of humanism. Back then, a violent departure from an old line of thought and ideas was sought, a departure from the Christian Middle Ages, from the philosophy and the worldview of scholasticism.

The Renaissance was the first departure from the corporative-scholastic collectivism and the turn towards individualism on the basis of classical education; the present crisis is the counter-renaissance, which is a turning away from individualism, a turning back of the "world spirit", when this Hegelian<sup>39</sup> description is permitted.

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<sup>39</sup> (Ed.) Georg Wilhelm Friedrich Hegel (1770-1831): German philosopher, arguably the most important figure in the movement of German Idealism which sought to overcome the

## The True State

What we must keep in mind is a general guideline through which history is charted. We must recognise that history is not to be looked upon as a generally straight, upward development, as the Darwinian Monists<sup>40</sup> and related tendencies would have us believe. With this point of view, which we have had forced upon us from childhood, we must break. We must always look at history as a dying-out, a developing and a becoming, a renewal; not as a development straight into infinity and thus into nothingness, but as an eventful struggle for the highest content of the human forms of life. A becoming for a death, a truth for an error, a new form for a negated basis, and vice versa. It would be a gross error if we imagined that the forces of the Renaissance, the Enlightenment and capitalism were those in which history had made definite, absolute steps forward. This is such a superstitious view that it leads to perfect nihilism, not only condemning the earlier ages as inferior, but also, in the same breath, devaluing the most perfect age in the future, which will be infinitely more perfect. Ranke<sup>41</sup>, like all other truly great historians, has given to every age the full value assigned to it; he concludes his world history with the following words: "In continual and ever-new movements, yet in every foundation faithful to itself, as it were, its own inheritance, the world's historical destiny is accomplished." Drawing upon the past and our own being is the method for obtaining the full story; and getting an accurate picture of our age's movements is important if we are to be successful.

This view also avoids the danger of being stuck in the historical. Apart from the purely historical aspect of things, which has not inappropriately been called the second face, we must also acquire the first face, namely, the knowledge of those things and essences which are at play in the present, the sociological analysis in which we clearly ask ourselves: what inner essence belongs to those things and potencies which are gaining their position and forming something new?

Here too, I have a confession that relates to the principles of the procedure and deviates from the conventional method: namely in terms of the division of state, economy and social phenomena, because (as we saw above) these ultimately touch upon an inner nature which goes beyond mere inductive, descriptive and logical thought processes; consideration must (one might say without pathos) descend into the depths of the human heart as to the ultimate source and origin of our life laws, and from there must recognise the object

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dualism of seemingly opposing forms and ideas through synthesis. In Hegel's view, the *Weltgeist* is like the spirit of all *spirits of the age*, driving history.

<sup>40</sup> (Ed.) Monism is a philosophical outlook in which all things are manifestations of the same substance; matter in the case of the Darwinian outlook.

<sup>41</sup> (Ed.) Leopold von Ranke (1795-1886): German historian, considered the founder of modern historical scholarship. The quote is from his posthumous *Weltgeschichte*, (1913). Leipzig: Bibliographisches Institut, Vol IX, p.270.



## Introduction

“society”. From there it must find the connections which bind the individual, as if awoken by the supra-individual totality.<sup>42</sup> This descent, this connection, however, does not mean any psychology nor a merely artistic knowledge of the subjectivity of our life, nor does it constitute a worldview, but an objective social doctrine of the spirit.

Such a procedure is based on faculties other than the logical nature of thought, or the observation and deconstruction of the tangible, which may be achieved by natural science but not by social science. It would make for a miserable viewpoint if it were limited by this kind of external (judging and processing) type of thinking, which is for our purposes only the first preparation; it must perceive in terms of the realities and truths felt beneath the human breast which constitute the inner essence of social processes.

Such, therefore, are the demands we must place on the social sciences when it comes to assessing our age. For our science, this does not mean sinking into subjectivity; we remain perfectly scientific, as will be shown later.

This is all we will say on the procedure. The division of the material herein is again determined by the complete lack of socio-scientific education in our time. Anyone who is currently discussing socio-scientific questions encounters a terrible obstacle in being unable to count on listeners and readers knowing even the basic concepts of social science. The typical sociological education is extremely incomplete, limited to economic, ethnographical and historical knowledge, and nothing is really known about the essence of things and their problems, for the simple reason that our schools of science are asking the wrong questions. Because of this, I must send ahead a sociological, preliminary examination and divide my material into: 1. a preparatory part, which expounds upon initial socio-scientific knowledge, and perhaps gives a small outline of what social studies should be; 2. a criticism of the current zeitgeist; 3. a constructive part which looks ahead.



Finally, I would like to ask all my readers to remember the following in these violently agitated days. Among you are all kinds of political thoughts and strivings, from the extreme right to the extreme left. Much will therefore separate us, but if we are to come together for a common investigation, we must look to what connects us all, that which all of us needs: the pursuit of truth. We all want the truth; the only question is who really has it. To find out the answer to this, we come together; and we will profit, even if we do not agree. Therefore, the following applies to us. First: we are not concerned with party politics here!

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<sup>42</sup> (Tr.) A watchword of Spann's thought is *Ganzheit*, rendered here as *totality*. As elaborated on later, it represents the sum total of connections between a nation's members and to every facet of their civic and spiritual lives.

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Every thought and every word which is spoken may have directly partisan significance; but we do not have to worry about such entailments, where, as pure researchers and dissectors, we must not allow ourselves to retreat from the aims of truth. By extension, the following also applies: whatever hard truths one encounters here against his personal conviction, let our study be purely analytical, within the bounds of pure research, understood and carried out. Partisan and moral conclusions may be drawn out and considered separately.

Through all of this, we are united by a common, secondary practical end-goal: to want the best, to order the human community in the most appropriate way. The rightist, who sees mere destruction in the action of the leftist socialists, as the leftist, who sees black disaster in the action of the right-wingers, must all convince each other that the same high striving leads them, which Eichendorff<sup>43</sup> has so beautifully expressed and which our investigations may presuppose as the guiding principle:

“I want to give you everything  
And I am princely rich.  
My heart, blood and my life,  
Brothers, everything for you.”

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<sup>43</sup> (Ed.) Joseph Freiherr von Eichendorff (1788-1857): Prussian poet and novelist, an exponent of the Romantic tradition. This extract is from his poem *Sängerfahrt*, which can be found in full in *Gedichte: Vollständige Ausgabe letzter Hand 1841* (2016). Berlin: Constumax GmbH & Co., p.105.

# First Preparatory Part

“Delicate is the thread of friendship, but inseparable as the chain that surrounds heaven, the sea and the stars.”

- Novalis<sup>44</sup>

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<sup>44</sup> (**Ed.**) Novalis (1772-1801): Pseudonym of Georg Philipp Friedrich Freiherr von Hardenberg, early poet and philosopher of Romanticism. This extract can be found in *Werke, Briefe, Dokumente* (1954). Heidelberg: L. Schneider, Vol. IV, p.126.



# Section I

## The Essence of Society

### § 1. What is Society?

**W**hat is society? This is the question which lies at the beginning of every socio-scientific discussion, the fundamental and fateful question of all political and social science. First, we want to ask this question in quite a formalistic, analytical-geometrical sense. Two possible basic responses result; either: society is a mere composition of separate pieces (individuals) which are thought of as self-sufficient (autarkic); or: it is a totality, the parts of which are not actually independent, but are certainly only organs of this totality. We will consider each answer.

**a)** In the first case, society is like a conglomeration or heap of stones. Together they seemingly offer only the appearance of a real collective (a totality), in fact, they present themselves only as a composite, as a mere summation of individual things, whose true, foundational reality lies in the individual stones. This composition is therefore also necessarily amorphous. Whether the stone heap has this or that form does not alter its nature; similarly, in the mosaic, the figure always appears only as a result which is certainly accidental, caused by precisely this or that particular use of the parts.

**b)** Society is to be thought of as a totality, the components of which are not self-contained, not self-sufficient, but exist only as necessary parts of the totality. Two examples, the organism and the triangle. The hand, the heart and the cell cannot be extracted from the whole (the organism), as individual stones may be extracted from the stone heap. The hand does have a special life so to speak, but only lives by means of the reverberations from all the other parts of the body, by means of the fire of life, which is determined in the totality. Nowhere here does the vital force reside in the individual, but always in the whole itself, in the connection of all parts, in the reign of all from all. The central nervous system, for example, this chief seat of mind and life, perishes when other precious organs are injured or removed. A triangle offers a whole with "properties", for example, that the sum of all its angles is 180 degrees. This property does not belong to this or that angle, to this or that side, that is to say it does not belong to a particular component or partial-individual in the triangle,

## *The True State*

but is a result of the precise cohesion, the cooperation of the parts. If one angle is smaller, the other two must be exactly larger. In this case one does not even have to go back to "life" and the "organic" in order to discover the essence of totality, but finds it in the simplest consideration of a mere dissection of geometry: as absolute reciprocity, as perfect correspondence, which is the law of all forms. Here, nothing is left behind, there is no "best part" which could lead a real life of its own. The example of the triangle would be an exaggerated picture of the nature of society, seen purely as a totality.

As dry or even formalistic as these two answers appear, they are the basis of all theoretical, as well as political, views on the nature of society. The meaning of these answers is such that the interior of mankind is opened through them. To truly comprehend this is to comprehend the ins and outs of all social doctrine.

# Subsection I

## The Individualist View

### § 2. The Concept of the Individual

That answer to the question of our being in society which says: society is a composition of individuals, is called individualism, or in German: *Einzelheitslehre*, *Besonderheitslehre*, *Einzeltum*. The whole focus of individualism lies in the concept of the individual, which is here the only reality in society; and lies in the question of how we are to think of individuals. This is, of course, denied by those incapable of following questions to their conclusion; but they deny in vain, as will be evident from the following.

Every individualism that is justified must ultimately end up asserting that the individual, seen as a spiritual being, is completely spiritually self-sufficient (autarkic). The free-generating, spiritually self-creating individual is the basic idea of individualism. We call this spiritually self-sufficient, self-made (autarkic) individual the absolute individual. Before proceeding from here, however, we must say a word about the relationship between this spiritual self-sufficiency (and we do not here mean "sufficiency" in the sense of frugality) and the concept of autonomy. Everyone understands, for example, moral autonomy in the Kantian<sup>45</sup> sense ("You can, because you ought to.") This autonomy, this self-determination or the freedom of mental will is not the same as self-sufficiency, as autarky. Autonomy designates, strictly speaking, only the egoistic form of mind and spiritual freedom in general. One says: I give myself the moral law; only I can think, no other can think for me. Every act of thought, therefore, necessarily requires the ego, that is, the self-imposed form or mode of existence, otherwise a thought cannot enter the world. But autarky says much more. Not only the form of that which is "autonomous" (self-established), but also the substance of the spiritual is mine, extracted from the depth of my being. The inventor serves as an example of this; with him it is clear that not only are his thoughts self-made, but the content thereafter generated is created by him, taken out from himself. Now, one can reply to this notion of autarky as follows: man is not enough in himself because, for example, as an infant he could not

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<sup>45</sup> (Ed.) Immanuel Kant (1724-1804): Prussian Enlightenment philosopher and forefather of German Idealism who tried to overcome the philosophical dispute between rationalism and empiricism.



## The True State

live without his mother's help; because he must be fed, taught, instructed. And further: in adulthood, society should be seen a system of mutual aid. The economy is driven by people through the division of labour, where mutual support and help comes from all directions. However, this objection only arises from the extraneous, the necessary (utilitarian), only what man is and needs as a sensual, physical-organic being, i.e. food, clothing, economy, technology, but not from the spiritual being, not from spiritual autarky; from this alone comes what matters (as will become very clear later). The individualist is correct to retreat to the concept of spiritual self-sufficiency as his real stronghold.

Let us make clear the concept of the spiritually self-sufficient man using examples. The first and most famous is:

a) Man in the primordial state, of which so-called natural law speaks. With a rare folly, the Englishman Hobbes<sup>46</sup> thought of the primordial state as being a war of all against all ("bellum omnium contra omnes"), as in the case of the predators (or rather worse than among them, because the members of the same genus at least do not eat each other!) After the period of weaning, the animal wanders alone; hence why Nietzsche<sup>47</sup> speaks of a "lonely prowling beast". We are therefore to see, in individual people living in the war of all against all and in fear of all before them; a very impractical condition which totally deprives them of mutual aid. This determines their entry into the basic social contract; they banish the struggle, ensure mutual security, help each other technically and economically, as far as they see fit, and will only retreat into themselves spiritually. That is, society and the economy are erected as a structure of mutual aid and mutual protection, but spiritually, each person remains what he is: he is still the absolute individual, the basis of his life is still spiritual self-sufficiency. The state is only a protective body, a protection-association, the national economy is a union of mechanical workers, an external aid exchange which remains in the domain of usefulness (the utilitarian); the spiritual assertion of the self, the spiritual self-made being, remains unaffected.

b) This natural law way of thinking is indeed the last word on individualism. One can, however, grant a more vital and significant content to this way of thinking. The mythology of the Greeks has portrayed human beings as self-

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<sup>46</sup> (Ed.) Thomas Hobbes (1588-1679): English philosopher and developer of social contract theory. This phrase first appears in *De Cive* (1949). New York: Appleton-Century-Crofts, p.13.

<sup>47</sup> (Ed.) Friedrich Nietzsche (1844-1900): German philosopher known for his genealogical critique of Christian morality and affirmation of the *will to power* in response to nihilism. This phrase appears in *On the Genealogy of Morality and Other Writings* (2016). Cambridge: Cambridge University Press, p.56.

## *The Concept of the Individual*

made and self-sufficient, as Heracles<sup>48</sup>, and in the mythology of the Teutons we find the god Donar.<sup>49</sup> (Donar-Thor too, is a working hero, solving the problem of the giants). These are the models before us, which overcome all brushes with fate on their own, which are an inexhaustible source of strength and thus take on fateful challenges. Man appears here as something which, through infinite willpower, sets itself the goal of overcoming everything which opposes it. This heraclean, unlimited ability to conquer, shows the spiritual self-createdness, self-sufficiency in terms of the will. Here, the sharp distinction can be seen between the utilitarian, the mechanical, the external aid of the state and the purely spiritual, purely inner life which we lead spiritually as an individual. Heracles-Donar, through his will, is an absolute individual.

c) Still another related figure is Prometheus.<sup>50</sup> Here it is, a defiance which insists on itself, which is classically described in the words of Goethe<sup>51</sup>, where Prometheus may ask, "Hast thou not all thyself accomplished, Holy-glowing heart?" Of course, man has, on the outside, not made everything himself, but the truly spiritual, the castle of his inner world, that castle interior which no Zeus<sup>52</sup>, no god and no power can disturb, is a freedom, is freely creating itself, the author of its own value, autarkic. "All careless of *thee* too, As I!" How boldly Prometheus hurls these words at Zeus! He is essentially self-created; he is his own creator.

d) This is akin to the way we consider, in particular, the genuinely creative man, the genius; genius is, above all, regarded as freely generative, it pulls itself from itself. The titanic feelings of Beethoven<sup>53</sup>, the tremendous storms that rise from his chest in his symphonies are witnesses of genius. But in this way every human being is fundamentally constituted; each must have something ingenious within him, must feel and manifest something of that generative power, even if it is animated by far less important things. The innermost essence of the soul finds its independence based on that point of genius. Thus, from this viewpoint once more the concept of the absolute individual emerges.

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<sup>48</sup> (Ed.) Heracles: Divine hero, son of the Greek god Zeus and a mortal woman, famed for performing ten labours to expiate the crime of slaying his children.

<sup>49</sup> (Ed.) Donar: Ancient Germanic thunder god, equivalent of the Norse Thor, famed as a slayer of giants.

<sup>50</sup> (Ed.) Prometheus: Ancient Greek titan and champion of mankind, who stole fire from the gods to give humanity civilisation.

<sup>51</sup> (Ed.) Johann Wolfgang von Goethe (1749-1832): German poet and novelist in the early Romantic tradition. This extract from his poem *Prometheus* can be found in *Select Minor Poems* (1939). Boston, MA: Hilliard Gray, pp.107-108.

<sup>52</sup> (Ed.) Zeus: Ancient Greek thunder god and king of the pantheon.

<sup>53</sup> (Ed.) Ludwig van Beethoven (1770-1827): German classical composer and pianist.

e) Another type of self-sufficient man is Robinson.<sup>54</sup> In him, individualistic thinking has created a form in which solitude is carried out even in the necessities (utility). It is Robinson who is not only spiritually dependent on himself, but also needs no utilitarian aid from society for his external needs. He can live alone, even if he would live better in company. Man thus becomes also in the domain of the necessities, of the external needs, basically independent of other individuals, as an absolute individual. Essentially, however, this poetic notion is unimportant, as I have said above. For all objections to individualism which are concerned only with external aid do not touch upon essentials anyway.

f) One last type is that of the hermit. The pious hermit is, above all, considered a hermit in the spiritual sense; his independence from the external assistance of other people, on the other hand, falls completely into the background. (For whether other hermits or hunters bring food to the hermit or not, this is not decisive for his nature as a hermit). It is essential that he is spiritually alone, renouncing spiritual interaction with others, to live only his devotion. But is the hermit really living in spiritual independence, an individual entirely self-created? If one is more accurate, one finds the opposite. He is not alone, but lives in company, in company with Nature's God, Who speaks to him in the spirit of his religion. The hermit can therefore not be recognised as an absolute individual and as a purely individualistic construction. He is only a pseudo-individualistic type, because for him the relationship to God and to the deified nature takes the place of the relationship to man. Such a relationship can also, however, only take place where an already trained and deep spirit has the intuitive power required to hear the Godhead in nature, in the voice of fate. All the other examples cited above have something striking, indeed overwhelming. They show us figures which are well suited to arouse astonishment and testify to individualistic thought; only the figure of the hermit is not a true witness to individualism.

If we survey all the above, we find that: it is the self-creating nature of the human spirit upon which individualism is based. This determining factor is the only decisive criteria in all the examples cited, the only essential feature of the concept of the "absolute individual". Controversies around any other points are red herrings. That which is logically consistent in individualism leads only to the spiritual concept of the absolute individual, who takes everything from the depths of his own breast, who descends into the shaft of his very being to mine the pure gold of his own substance. It is undoubtedly true that, from a certain

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<sup>54</sup> (Ed.) Robinson Crusoe: Title character of the 1719 novel by English writer Daniel Defoe (1660-1731). In the story, Crusoe is repeatedly stranded in tropical locations where he braves many perils and adventures, often in solitude.

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perspective, our being really does reflect this image, that each of us is, to a certain degree, Heracles-Donar and Prometheus, each of us can gain a position of genius in our innermost heart, and build there a self-determined, self-sufficient world.



### § 3. The Concept of Society

The answer to the question of what society is clear from the assumptions which the concept of the individual has already created for it. If the individual is entirely independent, then society (in spirit) cannot itself be independent, but merely a composition of individuals. When the concept of the absolute individual is taken seriously, being part of society cannot detract from the individual's spiritual self-determination and self-sufficiency. If this is the case, then society can only be a summation, nowise its own, only a sum of components, a number and nothing more. The "totality" of society is therefore nothing real of its own, not constituting its own reality; the only reality is individuals. No one who applies the individualistic concept to each person can escape this train of thought. If spiritual self-sufficiency is the essence of the individual, if the individual is shown to be freely creating throughout his life, the fact of a multiplicity, the summation of several individuals, cannot mean anything that is not derived from said individuals. There is no separate whole, society is only a sum, a house, the individuals are the only truth and the only reality. This is the unambiguous, inexorable conclusion of individualism.

## § 4. The Relationship of the Individual to Society

The relation of the individual to society is defined in the concept of the absolute individual as unambiguously as it is in the concept of society. If I live spiritually only by virtue of myself, then there is a morality and a duty to myself, but not to the other, I have the power of the moral within me, but a moral relation to the other (which goes beyond myself) I do not have. The individual, when conceived as Heracles, wants to achieve certain aims and resists Zeus and destiny. He has a moral relationship with his self-defined objectives, but there is no moral relation to other human beings. There is at most a contract; an external treaty which derives from utilitarian aid, but which does not affect the spiritual self-sufficiency of the individual. The individuals say to each other that they no longer wish to live this uncomfortable, bestial life in struggle or helplessness, and so they help each other. However, this does not affect our spiritual self-sufficiency and self-determination. Nietzsche, the individualist, once said that man "out of necessity and boredom, wants to live socially in the herd".<sup>55</sup> It is not because society imparts something spiritual that we engage with it, but due to necessity, due to our need for mutual external aid, or out of boredom, because it suits me (free caprice rather than necessity!). What is not created is a spiritual relationship to the other.

This consideration is of fundamental importance, for all time and particularly for the whole period of scientific development of the last three centuries: for individualists there is probably an individual ethic (individual morality), but no social ethic (social morality). Social codes of conduct are, in fact, a reality, but they are not expressions of morality but merely utility. The fact that I do not kill others, that I do not steal, that I should fulfil my duties, are only commandments which are related to the reciprocal external services which constitute society; they are commandments of necessity, not of one's own spirituality, not of one's own individual morality. For the moral must come from the inner commandment and laws of the spiritual. I fulfil the obligations of the social contract, but I am internally, spiritually alien to all other members of society.

It is the case that, from this point of view, the relation of the individual to the society is simply necessary and useful, finding its purest expression in exact trade accounting, in the exchanges of the economy. On the other hand, it cannot

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<sup>55</sup> Nietzsche, F., Gilman, S. and Blair, C. (1989). *Friedrich Nietzsche on Rhetoric and Language*. New York: Oxford University Press, p.247.

be denied by the individualist that there are "feelings of sympathy", love, hatred, pity, joy in the success of others, which determine my relationship with other men upon a different basis than that of mere utility. These feelings of sympathy, however, are again impossible to define as a matter of morality, but are instead only a chance psychological fact, i.e.: a fact without inner necessity. Whether my behaviour is determined by love or hatred, sympathy or schadenfreude, this is, for me as a self-determining individual, entirely a result of my condition. These feelings, I repeat, are not the epitome of morality but of subjectivity, free resolution, arbitrariness, coincidence. My decisions here arise from autarky, not morality. One now understands the rejection of morality among the decided individualists like Nietzsche and Stirner!<sup>56</sup> It is the relationship of free arbitrariness, not of binding commitments, which connects the individual to the community. Or, to put a fine point on it: what we deem here psychological (empirical-accidental) can also be thought of as something more instinctive, natural, which itself falls far from morality, an internal law, a necessary obligation one has entered into, and is instead arbitrary, dark and chaotic. Only utility and instinct bind one individual to another. True morality exists only within the spirit of the absolute individual, and not betwixt individuals.

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<sup>56</sup> (**Ed.**) Max Stirner (1806-1856): Pseudonym of Johann Kaspar Schmidt, German nihilist philosopher and forerunner of individualist anarchism.

## § 5. The Types of Individualism

As we have seen, the ultimate conceptual foundation of every individualist doctrine is always the absolute individual. But there are different ways of drawing conclusions from this absolute individual for use in the construction of society and political life. Thus, three basic forms of the individualist doctrine have arisen: anarchism, Machiavellianism, and contract theory or natural law.

1. Anarchism. As a representative of this school, I chose Max Stirner, whose main work clearly expresses the basic ideas in its title: *The Ego and Its Own*.<sup>57</sup> Everyone is an "Individual". The principle of the individual person is "Nothing is more to me than myself." This theorem is the immediate and purest conclusion to be drawn from the concept of the absolute individual. When I think of Prometheus' words which end, "Hast thou not all thyself accomplished, Holy-glowing heart?", then the conclusion: "Nothing is more to me than myself" is found to be similarly unavoidable. It is not raw selfishness, a low egoism, but a logically necessary inference, the flipside of spiritual self-sufficiency, the self-imposition of the spiritual. There can be nothing greater than I, because I am entirely alone and secluded inside. I cannot therefore disagree that it is moral for me, a pure selfling<sup>58</sup>, to be a pure egoist. It is moral for Fáfnir to guard the treasure as a dragon: "I lie and beset it;".<sup>59</sup> Other people cannot really concern me, because they are set as purely external factors. The absolute individual thus corresponds to absolute freedom, absolute "absence of rule" or "anarchy". How does one imagine the coexistence of many people on this basis? First there is the form of the bomb-throwing anarchist who wants to free himself from all the uncomfortable fetters of society. Then we have the "noble anarchist". The latter wants to work, to take a good example, and build social life from the basis of absolutely voluntary cooperatives, e.g. to become a railroad operator, he enters the cooperative of railroad workers. One last

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<sup>57</sup> Stirner, M. and Leopold, D. (2000). *The Ego and Its Own*. Cambridge: Cambridge University Press, pp.7 and 90.

<sup>58</sup> (Tr.) In German: *Selbstler*.

<sup>59</sup> (Ed.) Wagner, R. and Forman, A. (1905). *The Nibelung's Ring: English Words to Richard Wagner's Ring des Nibelungen*. London: B. Schott's Söhne, p.215.

(Ed.) Richard Wagner (1813-1883): German composer whose moving pieces were part of the Romantic tradition. In the third part of the *Ring cycle*, the hero Siegfried slays a dragon called Fáfnir.



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possibility would be to live alone. Both solitude and entirely voluntary co-operation are practically inadequate to shape human society. In reality (where so much is made clear), chaos emerges; anarchism is practically impossible. But as long as there have been people, there have nevertheless been anarchists, from muddled dreamers, to "noble anarchists", to the violent and desperate kind, the terrorists. It is exciting to see how even the most absurd thought is recklessly thought throughout history. This is a great thing in mankind, that he will go to the extreme lengths of what is possible.

2. The Machiavellian. Machiavellianism again takes a thought through to its end and does so with Teutonic bestiality. In antiquity, the Sophists<sup>60</sup>, and in the Renaissance, Machiavelli, developed this doctrine, according to which they may be called Machiavellians. The basic idea of Machiavelli is this: the strong man uses his freedom, his self-sufficiency, so that he can control the weak. The inner development of society would then be that the stronger members gradually set themselves above the weaker ones. Instead of saying, "Nothing is more to me than myself", one could say: I subjugate him who is weaker than I am. The essence of society would thus be based on subjugation and exploitation; its law of life would be the victory of the strong over the weak.

3. Natural law. The basic idea of natural law is already known to us. We can define it as follows. The concept of the absolute individual would demand an anarchy, restoring once more the "primordial state", a life of war by all against all, and a fear of everyone held by everyone. (Whether such a life in the "state of nature" is really acceptable in historical terms, or is demanded only in a purely intellectual sense, is not a profound question of social doctrine; but to clarify, the historical assumption would be found unproven and false, and is in fact only valid as a logic device). This confused and uncontrolled state is relieved by the social contract entered into by all, the original contract, in which the people guarantee each other security and protection, thereby creating the society of mutual aid. Here, however, two fundamentally important subforms must be distinguished.

**Subform 1:** The people confer all their power once and for all upon a leader who, therefore, acquires unconditional rights of domination, which, however, he can only exercise within the limits of the natural rights of the contracting parties; this is the enlightened absolutism which allows the individual as much freedom as possible (see, for

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<sup>60</sup> (Ed.) Sophists: Greek teachers who flourished between the 4<sup>th</sup> and 5<sup>th</sup> centuries BC who claimed to teach excellence and virtue to young statesmen.

## *The Types of Individualism*

example, the Prussian Landrecht<sup>61</sup>, Frederick the Great<sup>62</sup>, Josef II<sup>63</sup>, etc.)

**Subform 2:** Liberalism, or democracy (both being, in their most general terms, set as one). Here, power is left to the citizens. It is not given to the ruler once and for all, but, on the contrary, is delegated to the appointed (officials) every so often, and withdrawn from them, as is necessary or convenient. The classical form can be found in Athens, where officials were not even elected, but chosen by lot. The freedom of all individuals is the same: so, all may rule for a time, i.e. the general will of all and the basic social contract are determined by the lot. Here too, a thought is played out to its full conclusion.

Natural law, however, refuses to recognise the self-sufficiency and independence of each individual in the manner of anarchy and Machiavellianism, but instead seeks a social order, one which is practically sustainable, and in which one can actually live; but in the appointment of the ruling powers for the execution of the original social contract, for the preservation of natural rights, it runs from one extreme to the other, with either the willing, irrevocable transfer of power to the prince, or to an act that can be repeated any number of times, the (immune to human influence) lot.

If we compare the three kinds of society that wish to integrate three types of the doctrine of individualism into their structural and microstructural form, we find that the anarchistic and the natural law society are built atomistically, while the Machiavellian society is not. In the case of free, anarchistic indifference just as in the example of natural law democracy, every member of society is equal, an equal atom. The union of the social atoms (the citizens) is, in both cases, a mechanical one (since the citizens' necessary connection is only external, rather than essential or spiritual). The society of enlightened absolutism is, in principle, built atomistically, but this atomism is somewhat disturbed by the official hierarchy. The Machiavellian society, on the other hand, shows in principle a structure of gradation dependent upon the rulers and their power relationships. This structure is still mechanical (rather than spiritual) but is composed of unequal rather than equal degrees of civic worth.

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<sup>61</sup> (Ed.) The law of the land in Prussia, codified by Frederick the Great in 1794.

<sup>62</sup> (Ed.) Frederick II, the Great (1712-1786): Prussian king notable for his military victories. He was a proponent of *enlightened absolutism* which simultaneously centralised power in the hands of the monarch while also encouraging liberal reforms in areas such as religious toleration and the bureaucracy.

<sup>63</sup> (Ed.) Josef II (1741-1790): Holy Roman Emperor and another proponent of enlightened absolutism.

## § 6. The Political Principles of Individualism

From the way in which society and the state are conceived, the highest political principles can be established, which we shall now consider in brief.

1. The freedom of the individual. Just as the major concept of individualism is the individual, the freedom of the individual is its first political principle; for “freedom” is directly and necessarily derived from the self-sufficiency of the individual. The justification of freedom can be given in the negative and in the constructive or positive sense:

a) All attachment between individuals is fetter, is an inhibition on their spiritual self-determination and self-sufficiency. “Compulsion” is therefore basically: restriction, impairment of the spiritual development of the individual. Freedom must reign in every form; freedom of association and assembly, freedom of the press and speech, freedom of religion, freedom of profession and commerce, freedom of trade, freedom everywhere, and the only restrictions arise in consideration of the original social contract, i.e. that which preserves security and order (for otherwise so many freedoms would create a war of all against all). “*Laissez faire et laissez passer, le monde va de lui même*”<sup>64</sup>, this was the motto of natural law.

b) Seen positively, freedom appears to be the only essential condition of life for the individual, since the highest conditions of spiritual life entail: self-sufficiency, i.e. freedom.

2. The minimal level of government responsibility. Conversely, the principle of minimal state interference corresponds to the principle of freedom for the individual, while to grant as much freedom as possible necessitates as little state interference as possible. The state is essentially a protective association, so to speak, an all-encompassing guard and locking company<sup>65</sup>, but

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<sup>64</sup> (Ed.) Fr: *Let do and let pass, the world goes on by itself*, a quote from Jacques Claude Marie Vincent de Gournay (1712-1759), a French economist and member of the *Physiocratic School* which prized agricultural production above all else.

<sup>65</sup> (Tr.) In German: *Wach- und Schließgesellschaft*, a name shared by several early 1900s security companies in Germany.

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is not a welfare institution. It is a “security state”, not a “culture-state”. Lasalle<sup>66</sup> derides this arrangement as the “night watchman state”.

3. The law as a minimal level of mutual restriction placed upon freedom. According to anarchism and Machiavellianism, strictly speaking, there can be no law at all, since in the former case cooperative statutes are chosen, freely and arbitrarily, and can be broken at any moment, and in the second case, the power of the rulers decides all. Natural law, on the other hand, must understand the law as a comprehension of the minimum rules necessary for coexistence. Law is, then, the restriction of the freedom of one by the freedom of the other; it is the middle line, where the freedoms of the citizens are least disturbed, the minimum degree of mutual restraint (which, at the same time, contains the greatest possible freedom). For freedom is the sole essential condition of man, the supreme political law, which must be preserved under all circumstances. “Law” must therefore grant the highest degree of freedom and take away the minimum. The whole of the Enlightenment and also Kant developed and championed this individualistic concept of law. Kant also drew the conclusion: the law (as “heteronomous”) can be contrasted with morality (as “autonomous”).<sup>67</sup> For if law follows only from the technical necessities of cohabitation, it is essentially different from morality.

Even today, this whole individualistic view of law plays a dominant role, although we have long since passed from the constitutional state to the culture-state.

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<sup>66</sup> (Ed.) Ferdinand Lassalle (1825-1864): Prussian jurist and socialist philosopher. He coined the term *Nachtwächterstaat* in an 1862 speech against governmental non-intervention in the economy.

<sup>67</sup> (Ed.) This moral framework can be found throughout Kant, I. (2019). *Groundwork for the Metaphysics of Morals*. Oxford: Oxford University Press.



## § 7. Review

The short explanations thus far have revealed to us the idea of individualism. The first thing to do is to let all of this unfold before us. One should listen to every great doctrine with inner silence and dedicate a good amount of time to it. Only when the full content of the doctrine has been exhausted in this way can suspicion, examination and opposition arise. If one allows individualism to make its case in this way, the first impression is unquestionably that of greatness. It is, after all, a logically structured network of concepts and notions worked out to their full conclusion. Further, it is the expression of strength and self-confidence, with an element suggestive of storming the heavens, expressing the titanic aspect of the will and striving in human nature, something that involuntarily inspires and enthralls us. Seen in this way, it is a confirmation that true social teaching descends down into the depths of the human heart. For individualism is a mighty attempt to exhaust the depth of the human being as a powerful, irresistible and self-satisfied Thor-Heracles, as a creative Prometheus, to build society thereafter, to arrange life according to this basis.

The second great thing which the individualist doctrine shows us is the idea which grasps our essence as the will to creativity. This thought allows us to take back our selves, puts our destiny and our ego back into our own hands. This is the greatest thing that the doctrine of individualism offers to mankind, and what many great men (Nietzsche, Schopenhauer<sup>68</sup>) have brought to her. The proverb "Every man is the architect of his own destiny," is but a small reflection of this doctrine, which alone gives the whole of one's spirit to his own will and labours.

This great impression of the deeper essence of the doctrine of individualism or the self must be noted, so that we may know what we give up and lose if we should reject it as a fundamental error.

If we examine it, individualism seems to us to be self-evident. Why? Because it is woven into our given education, spun into it like a network. In our entire economic and political life, in our legal and moral conceptions, in all social sciences, everywhere, individualistic concepts, individualistic worldviews and individualistic attitudes prevail. We have all already embraced the individualistic idea with mother's milk! In the face of such things,

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<sup>68</sup> (Ed.) Arthur Schopenhauer (1788-1860): German pessimist philosopher who created his own brand of atheistic Idealism using elements of Eastern thought.

conscientiousness demands doubt and examination so that we do not become the prey of habitual thinking.

Where is the main point of issue? It cannot be the practical consequences of the basic preconditions of individualism, for these are merely derived; it can only be the ultimate, fundamental prerequisite, the bastion of individualism itself, to which doubt turns; the concept of the absolute individual, self-creation, self-sufficiency! Going to the root, if we look into this Dionysian<sup>69</sup> and indeed seductive, spellbinding concept of self-sufficiency, then it becomes clear that this fundamental concept is the one which unfolds, with or without those who did the unfolding. The question arises: how is the self-created, based as it is on its own spiritual foundation, linked to a whole? Namely, to two things: to the whole of society, and finally to the entire world. Upon this question rests everything, for in the relation of the individual to the totality, the test must be whether his own being has been properly grasped, and whether an intelligible relationship of integration results. The full judgment of and crucial insight into the merits and demerits of individualism will only be possible later on, when we have also come to know the Universalist<sup>70</sup> system which we set in opposition, but the pursuit of the questions just raised will already have much to teach us about the basic position of individualism.

1. Let us first consider the individual's connections to the social whole, to other people: here we encounter a difficulty not unknown to us: self-determination, or autarky, is, according to its concept, the separation of the individual from the other, because it speaks of self-foundedness. Individualism necessarily sees the human realm as a realm of isolated, self-sufficient spiritual entities. Individualistic thought conceives of people in the same way we might imagine trees in the forest. The single tree is something which has grown through its own germinal capacity, is itself rooted in the earth, has formed itself into its own plant. The trees also grow, in principle, independently of one another; a "forest" can be regarded as merely a plurality of individuals, wholly autonomous growth forces, autarkic growths which can be seen as akin to society, which is the sum of self-sufficient spirits. The single germinal capacity creates the tree, and it is one's own spiritually creative power which gives man his self.

Faced with such a way of thinking, one must ask: is there really a single spirit that floats so freely in this world? There must be an intrinsic connection

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<sup>69</sup> (Ed.) Nietzschean concept inspired by Dionysus, the Ancient Greek god of wine. In his 1872 work *The Birth of Tragedy*, he contrasts the Dionysian impulse, which magnifies man and revels in worldly experiences, with the Apollonian (from the sun god Apollo), which emphasises intellect, harmony and restraint.

<sup>70</sup> (Tr.) We capitalise *Universalism* throughout, as Spann coined the name of his own doctrine, which bears no relation to other uses of the term.

with others. The tree is at least rooted in the earth (it also stands in connection with the wider plant world, etc.), but the individual spirit, by contrast, would have to float freely and isolated in the world of the spiritual, if it were formed out of its own germination! We will follow this idea later (see § 11 below). But the connection to other spirits, to the whole of society, we recognise this now more clearly than before as the immediate, momentous question which individualism must answer.

2. The connection to the cosmic world is the second major question. Individualism, however, ignores this as much as the question of the spirit. It is necessary for the individual, as freely generating, to also be the centre of the world. Hence, Prometheus himself with Zeus asserts his absolute independence: "All careless of *thee* too, As I!" And yet he who is absolutely self-sufficient cannot be the centre, since no essential connection with anything can be assumed, hence the real concept of the individual after this thought reaches its end is: the individual as absolutely alone.

Are these consequences of the doctrine of individualism acceptable? The separation from the other spirits in society is altogether impossible; it contradicts all experience. An essential connection with social totality must be found, on the contrary, because such a connection alone corresponds to reality. The gulf conceived between ourselves and the world seems almost grotesque.

We recognise in our heart self-sufficiency, individualism as a fundamental error. Individualism ultimately makes the individual lonely and poor. It dresses him in borrowed splendour then throws him into usurious debts which he cannot pay. The concept of Promethean man taken seriously proves to be a complete aberration. It is absurd to want to assert such right when the whole is comprehensively our concern. By considering the totality with which I grapple, I have already given up my own centre-point property and independence; yes, I have set my absolute dependence on him (the Zeus, the totality) and he has become my deity in the deepest sense. If I reject the connection, then at last I find myself necessarily as one who is completely alone (since autarky does not even allow the centre-point characteristic to be maintained), which turns out to be both absurd and fantastical; but if I place myself into totality to find the connection, then I have just given up the essence of the individualist doctrine: my self-sufficiency. To set up an intermediary position is impossible, contradictory, moreover, lukewarm and feeble.

This reflection leads to the demand that the concept of the individual be formed much more deeply and in a more manifold way than self-creation permits: the individual must be conceived of in such a way that he directs us to the whole, that a vital connection is uncovered between him and other spirits, the society and the entire world. There is only one thing left for us to do, to place in the service of connectivity that tremendous power that the individualist

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perceives as a self-creating, germinal force. It is instructive, then, that all the epics of Heracles focus on this problem of linking individual creativity to a higher, superordinate plane (that is, a whole). When Heracles has completed his trials and accomplished his tremendous will, the question arises: what was all this for? At the moment when this is asked, one's own self-development and self-sufficiency are denied, and a higher order is sought, which envelopes and own order, which gives mine meaning and value. With this question, the individual subordinates himself to the order of the world. It is, religiously speaking, the flight to deity, the giving up of the self in the sense of being self-sufficient. The only direction that is sketched here is: to find the link between the individual and the whole.



## Subsection II

### The Universalist View

#### § 8. The Nature of Universalism

It is usually assumed that Universalism or the Doctrine of Totality is the very opposite of individualism; but this is not the case. When the doctrine of individualism says, "The individual is everything," the doctrine of totality does not say, "The individual is nothing," or at least it does not have to say this. If the individualist necessarily says that society (apart from individuals) is nothing, the Universalist need not say that society is everything and that the individual is nothing. Hence, what is usually cited as the characteristic of Universalism, namely, the self-sacrifice of the individual for the totality, does not really get to the heart of what it represents. Nor is the essence of Universalism altruism, just as little as that of individualism is egoism. Both can be understood that way, but they do not have to be.

Essential for Universalism, on the other hand, is that the primary, the original reality from which everything derives, is not the individual but the totality, the society. Here, the individual is no longer self-determined, self-sufficient (an autark), no longer exclusively and wholly grounded in his ego; therefore, the primary reality no longer lies within it, but in the whole, in the society. Thus, two features result: a) the whole, the society is the true reality, and b) the whole is what is primary, the individual being, as it were, real only as a component of it, and as such derived from it.

The original question of totality is therefore only as follows: "How do I consider the whole, what is the concept of this whole, of society?"; while the basic core of individualism (as we know) is: how do I consider the individual? The only possible answer here was: as an absolute individual. Meanwhile, the Doctrine of Totality does not give us such a clearly determined answer when it comes to the whole. There are several main ways of thinking about social totality here.

## § 9. The Four Main Ways of Conceiving of Society Universalistically

1. The environmental doctrine or milieu theory. According to this doctrine, man is unambiguously a dependent function of the environment. Lamarck<sup>71</sup>, according to whom the emergence of species by adaptation to the influences of the environment is currently taking place, takes this view in biology; Buckle<sup>72</sup>, Taine<sup>73</sup>, Gumplowicz<sup>74</sup>, Karl Marx<sup>75</sup> and others represent it more or less strictly in the realm of social teaching. Gumplowicz says: "The great error of individualistic psychology is the supposition that man thinks. It leads to continual search for the source of thought in the individual and for reasons why the individual thinks so and not otherwise [...] A chain of errors; for it is not man himself who thinks but his social community. The source of his thoughts is in the social medium in which he lives, the social atmosphere [...] and he cannot think anything else other than what the influences of his social environment concentrating upon his brain necessitate. There is a law of mechanics and optics by which we compute the angle of refraction from the angle of incidence. In the realm of mind there is a similar law though we cannot observe it so precisely. Every ray of thought falling upon the mind is reflected in our views. What we think is the necessary result of the mental influences to which we have been subjected since childhood."<sup>76</sup>

To comment on such madness may be superfluous.

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<sup>71</sup> (Ed.) Jean-Baptiste Lamarck (1744-1829): French naturalist and forerunner of evolutionary theory.

<sup>72</sup> (Ed.) Henry Thomas Buckle (1821-1862): English historian who pioneered an entirely scientific approach to history.

<sup>73</sup> (Ed.) Hippolyte Adolphe Taine (1828-1893): French historian notable for applying a naturalist outlook to the sociological analysis of history.

<sup>74</sup> (Ed.) Ludwig Gumplowicz (1838-1909): Polish-Jewish sociologist and proponent of the social Darwinist idea that all history was a struggle between ethnic groups.

<sup>75</sup> (Ed.) Karl Marx (1818-1883): German-Jewish economic theorist of extreme socialism. His perspectives on economy, history and politics remain hugely influential, and were singled out for intense criticism by Spann.

<sup>76</sup> Gumplowicz, L. (1980). *Outlines of Sociology*. New Brunswick, NJ: Transaction Books, p.240.

Here, "the whole" is conceived as the quintessence of all social facts which, as it were, are reflected in the individual, and thus give him only a phantom existence. In this way, however, the social whole is again merely mechanically conceived, materialised, and the independence of the individual is completely destroyed. One can call this Universalism, "Mechanical Universalism".

2. The doctrine of the social instincts of the individual. The idea of this doctrine is that society is based on the social impulses of human nature, such as the sex drive, the need for communication, compassion, delight, and the sympathy of others. For this conception, the Aristotelian terminology of man as a "political animal" "*ζῷον πολιτικόν*" is regularly adopted, completely incorrectly, for Aristotle meant this term spiritually (as in spiritual being), as well as sensually.<sup>77</sup>

This doctrine fits in perfectly with our present naturalistic, purely inductive age, but it cannot give an explanation of society. You cannot derive society as a whole from social instincts. The sex drive, for example, is also found in animals that do not live alongside one another socially, but only temporarily for the purpose of satisfying an instinct: tigers or lonely, roaming jackals. Such animals do not live in herds, nor even in permanent families. The sociality that is actually built on social drives is, firstly, a limited one, and secondly (this is crucial), an arbitrary and accidental one. A drive can be changed by a rational being, or completely suppressed and eradicated from the heart. Society, therefore, would be an arbitrary entity if it depended only on the content of our impulses and their accidental approval by our knowledge, background and traditions. This is not the key problem, however. In the Universalistic view the task is thus: to explain society from the inner nature of our spirituality in the form of a necessary totality which contains the conditions of life for individual spirituality. The conception we mention above is therefore only a clandestine individualism, which describes a society composed of truly solitary individuals, endowed with instincts from which they derive the only reality which constitutes society. We may call the explanation of society based on instinct a pseudo-Universalistic one.

3. The society in the sense of the Platonic Idea.<sup>78</sup> The essence of the Platonic Idea is, as is well known, the following: the overarching or general Idea is conceived as an independent, supersensible entity alone through which the individuals of this world exist, through "participation" (*μέτεσις*) in this Idea. So,

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<sup>77</sup> (Ed.) Aristotle's writings on man as a *political animal* can be found in his *The Politics* 1253a.

<sup>78</sup> (Ed.) As previously mentioned, Plato's *Theory of Ideas* held that all physical things were imitations of ideal forms. The concept of *participation* can be found in many of his *Dialogues*.

## *The Four Main Ways of Conceiving of Society Universalistically*

there is the Idea of the state or society (both to be thought of as overarching essences or general Ideas), while individual states, together with their members, subscribe to this Idea by participation. Everyone is then a member of the state by virtue of the nature of this Idea. This view can be found in Plato, Aristotle, the medieval scholastics, in Hegel, and even in the Romantics in a more or less unconditional or conditional form. If correctly understood, it does not annihilate the individual in his independence and peculiarity, because, after all, it assigns each individual his position as a member of the whole, as an organ of the whole, and thus demands the particular as such, rather than negating it.

It is imperative for social science not to link its own theorems to certain philosophical terms, so prudence dictates that we do not comment on this theory of Ideas here. However, it is certain that the scheme of thought provided by this theory of Ideas offers an answer to our question: the only appropriate and practical way to think about the whole and its parts is Universalistically. On the other hand, one must be aware that in this scheme of thought, the issue of the Universalist explanation of society has yet to be solved. For this scheme of thought still offers too rigid an apprehension of things, which of course has the advantage of easily explaining the original reality of the whole, but not that of the particularities and peculiarities within this totality, by virtue of this totality, where, in the overarching substance there is provided the jumping-off point for the extraordinary (individuality), and further, the identity of those things which serve as the vital and motive forces of the whole. This ancient theory of Ideas instead explains the peculiarity of the individual as respectively different resistances of matter to the Idea. Without passing judgment on whether this doctrine is philosophically correct, it does not satisfy sociological purposes, since while it may be able to explain, for example, how two different states can be so very different, it cannot speak to the particular differences of the organs (parts) of the whole, so that each organ is correctly seen as unique and irreplaceable. A doctrine which seeks to resolve this issue, to explain the peculiarity and irreplaceability of the individual, and yet include the living nature of the concept of totality, would aspire to be the "Kinetic Universalism" presented below.

4. Kinetic Universalism or the Doctrine of Inner Totality. While the Platonic Idea considers the whole as something complete, with individuals participating in this Idea of the whole; I prefer to assume the whole is never complete, but always in a state of flux, something that creates and establishes itself through a sequence (process), while what endures through and through is a louder pulse, an effervescence that transcends any given form at any given moment; which, if it were not in motion, would no longer exist since it is subject to the laws of life. The organism is a microcosm of this 'louder pulse', since the moment it is entirely rigid, it is dead. Now, the question is this; what is that moment of vitality which creates the whole, and continues to create over and



## *The True State*

over again? When we find the answer to that, we will have recognised the essence of totality. It is all about grasping and understanding this notion of totality.

## § 10. The Concept of the Whole in Terms of Kinetic Universalism

The movement of which we have said that it creates and builds “totality” at every moment, consists of that all-encompassing spiritual reality only in which the individual exists and arises as a resurrected being. Only through ignition, fomentation and stimulation by another spirit does spirituality become real in an individual, not by a self-determined, self-induced descent into the depths of one’s own soul, but under the aegis of the original and first condition, which is to be illuminated and ignited by another spirit. Therefore, whatever arises in my spirituality is always in some sense (directly or even indirectly) an echo of what another spirit has called out of me.

The community can never mean spiritual solitude for me; it is never entirely for me, but always exists in some (albeit indirectly but persistently) essential reference to another spirituality, to another person. Spirituality is only ever found in contact with another spirit, never in pure being-for-oneself.<sup>79</sup>

The beautiful German word “Gemeinschaft”<sup>80</sup> expresses this fact of double-sidedness, the mutuality of everything spiritual, in excellent detail. However, since this word is used not only in purely spiritual contexts, but also with regards to business and action (e.g. “Einkaufsgemeinschaft”, political “Wahlgemeinschaft” - as well as *Gemeinsamkeiten des Handelns*)<sup>81</sup>, it is necessary to adopt a purely scientific, objective term as well. As such, we will make use of the word “Gezweiung”<sup>82</sup>, which is to say something like the opposite of “division”, not that one unit becomes two separate individuals, but, conversely, that two individuals in truth form a whole, such as in a pairing or two points of a fork, forking in the sense that two individuals have existence as part of a greater totality. We can then say that the spirituality of an individual has the existing form of community or “Gezweiung”; indeed, all spiritual

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<sup>79</sup> (Tr.) In German: *Fürsichsein*, a Hegelian concept meaning to be a subject independent of objects.

<sup>80</sup> (Ed.) In English: Community or society.

<sup>81</sup> (Ed.) In English: Group purchasing organisation, electoral community and communal action, respectively.

<sup>82</sup> (Tr.) Difficult to render in English. The word carries connotations of *branching*, but is a *Spannian* term, and so we will leave it in the original German. As explained, it describes the mutual, spiritual relationships which make up a community and which are essential to human beings as spiritual entities. *Gezweithet* carries the same meaning as an attribute.

essence and reality is only the result of "Gezweiung" and exists only in "Gezweithet". This means that all spirituality exists only as inspired, awakened spirituality, i.e. it is only found in some kind of fellowship with another spirit, perhaps a distant friend or a long-dead poet or thinker whose books we read, or in a mere dialogue between two people, or merely in the form of an indirect "interest" of another or a group of others, but in all cases it will have a tangible or abstract form. Wherever the investigation takes us, it will always arrive at this conclusion: that the basic fact of social life is that all spirituality is possible only in Gezweiung.

It is now necessary to seek out some incarnate and compelling life experiences in order to both illuminate and strengthen this general insight.

Wherever we turn in the experience of life and history, everywhere it will be confirmed that it is impossible, even unthinkable, to find a spirit which is, in actuality, complete, that is, an individual arising from an internally separated (isolated) condition. Let us take as a first example the relationship of the artist to other people. Here, one could object right away that the artistic genius creates of itself and on its own. Those who write a drama do so in their silent hermitage. This is undeniable, but it must be admitted that Shakespeare would never have written his works if he had assumed that they would never be performed, nor read or understood. Without an (imaginary, prospective) spectator, reader, understanding critic, absent a counterpart, it is completely impossible for the artist to find the power of contemplation, to ignite the fire of creation. Even the lonely artist hopes and believes from the bottom of his soul that other important people will understand and appreciate him. He hopes for listeners and readers. Goethe has expressed this clearly in the following saying:

What would I be without you, friend public!  
All my feelings, a monologue,  
All my joy, dumb.<sup>83</sup>

Strictly speaking, it would not even be a monologue, but a sinking into the void. If this insight is taken more generally, we may say: without the participation of others (without "interest") there is no artistic work, indeed no spiritual work in general; all spiritual creations other than those which are animated or inflamed turn out to be impossible; the ability to turn to a second entity, this condition of a duality, a two-sidedness or Gezweithet to one's own creation is an indispensable condition of all spiritual creation, of all spiritual life in general.

A second example, which I deliberately choose due to its difficulty, is the relationship between mother and child. This relationship is defined in its innermost not by mechanical aid, which denotes what is called merely

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<sup>83</sup> (Ed.) See Unseld, S. (2019). *Goethe and His Publishers*. Chicago, IL: University of Chicago Press, p.8.

indispensable, useful aid (if this were the case, one could replace the mother with a machine, if the relation were to be interpreted as purely individualistic); rather, what is essential is the purely spiritual relationship of mutuality, which lies above and beyond what is indispensable. Firstly, through the mother's eyes, the spiritual relationship is found in that nurturing, never-failing, unconditional love, through which she feels "motherliness". It may be said here: the child creates motherhood; for those peculiar feelings, that education of the spiritual being which makes a mother of the woman, is possible only because the child has acted as a spiritual counterpoint. This transformation from woman to mother is created by that ray that emanates from the child's spirit and brings the mother's own spirit to that emotional state, to that new perception which transforms the soul. The child beckons and entices and speaks its word until the work is completed. The findings of the science of the mind (psychology) and the science of society (sociology) must be strictly separated. Whatever explanation is provided by maternal psychology, be it "instinct", "compulsion", "hidden egoism" or something else, we dismiss it all, it does not concern us as social scientists whatsoever. What is essential for us is that the spiritual content, in the same way as all that is spiritually determined within us, is possible only through the relation which we call (spiritual) "communion" or "Gezweigung", by illumination which comes from without, from another spirit, into one's own spirit. Thereupon, it turns out that it is the child who creates the mother.

Now let us address the inverse relationship, that of the child to the mother. What does the child take from its mother? Non-mechanical aid and instruction are essential here too. If you have a mother, you receive in your life the consciousness of unconditional attachment and belonging, an unlimited goodness, as we find in the example of the play "The Fourth Commandment" by Anzengruber.<sup>84</sup> All of the people in the play give up on the criminal and the murderer, but his mother still believes in him, she does not completely abandon him. This feeling, which is carried by the one who goes to his execution, a feeling of such an inexhaustible goodness, of such an unconditional attachment to his soul, this is what he receives as a child, as the child of a mother. In his mind, this knowledge of goodness emerges and exists as an everlasting possession, it has become a part of his soul. No one could have created this component themselves if it had not been beamed in from another's mind. Those people who have grown up without a mother (orphans or those in a permanent educational institute) are such poor unfortunates, for they do not have that irreplaceable, basic feeling of childlikeness in their soul. Wherever a child wakes up under the roof of a permanent educational institution (even an exquisite one), a man has had withheld from him that piece of the soul which only a mother can give; and following on from this, quite incidentally, is the

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<sup>84</sup> (Ed.) Ludwig Anzengruber (1839-1889): Austrian dramatist. The play was first performed in 1878.



conclusion that every common education taking place outside of the family and in institutions, impoverishes humanity one piece at a time, hardening it. This is why a newer poet has let orphans lament:

“Nobody, nobody loves me completely,  
To the innermost of my soul.”<sup>85</sup>

Whatever spiritual relationship comes before our eyes, we will always find that such relationships between people never remain mechanical, nor indispensable or external, but instead ignite a spiritual mutuality in both participants. The same applies to the relationship between student and teacher. Willmann puts it quite nicely: “Whoever wants to instruct must be able to do something, whoever wants to educate must be something”.<sup>86</sup> The former, the instructor, can be quite soulless, very mechanical, e.g. one could imagine instructing using a phonograph<sup>87</sup>; but this is not educating. (The language differs too little when it uses the same term “learning” for mechanical learning and inner, mental formation). Out of the essence, out of the spirituality of the teacher, the student must construct something into his own soul, e.g. the integrity of the researcher, the urge for inner truth, the inexhaustible thirst for higher things. And on the other side: the teacher also profits from his work. For example, by repeatedly having to think through a series of thoughts, by giving lessons to others, by hearing and even having to anticipate their objections. “You learn by teaching”, as the old adage so aptly puts it.<sup>88</sup>

And whatever relationship of multiple persons we decide to examine in terms of its spiritual reciprocity, we will always find that it cannot be reduced to a naked exchange of external aid, of external knowledge, as it were, a righteous giving and receiving of spiritual quantities, in which both participants remain spiritually independent (just as two economists can remain basically independent from one another while exchanging excess work); but instead, in addition to the mechanical relationship, we find that what is essential is the inner, mutual creation, spiritual construction (or even dismantling and thus changing, perhaps purifying, an indirect method of further development).

Even the relationship to nature consists of just such a genuine, spiritual community, a true spiritual mutuality (as mentioned above). So necessary to the human mind is the form of communion or *Gezweiung*, that a life must also arise

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<sup>85</sup> (Ed.) I could not find the source for this extract.

<sup>86</sup> (Ed.) Otto Willmann (1839-1920): German Catholic philosopher specialising in pedagogy. I could not find a source for this exact quote.

<sup>87</sup> (Ed.) Forerunner to the gramophone and eventually the record player.

<sup>88</sup> (Ed.) This was likely first said by the Roman Stoic philosopher Seneca the Younger (4 BC-AD 65) and can be found in *The Tao of Seneca: Practical Letters from a Stoic Master* (2018). Cambridge, MA: Loeb Classical Library, Vol. I, p.37.

for the lifeless, if any kind of relationship is to be established. We must even invigorate the dead in order to stay alive ourselves. Therefore, wherever poetry, the mind and higher intuition are at play, we must think of nature as animated; the hermit, the poet, the painter thus becomes part of a true community of nature! One could say in response, that all of this is just rapture and self-deception. But those who feel uplifted by the rising sun can only do so by feeling in it a superior essence, a force majeure and an omnipotence, and thus “exchanging another language with the sky”. Whatever enlightenment, psychology and disintegrating science may be ancillary to it: only the basic experience is decisive in social science, that the human spirit cannot do otherwise, because in realising his life-expression in the duality of a spiritual community, it is the duality itself which is the indispensable partner of creative power and education. Eichendorff is the poet who has taught us most clearly about nature in this respect. Everywhere we find the great word spoken by a nature that speaks to us. So in the simple question:

“Who has made you, you beautiful forest,  
Built so high up there?”<sup>89</sup>

And then:

“And in the midst of life  
shall your elemental power  
lift me from my loneliness;  
so my heart shall not be old.”<sup>90</sup>

Here is described the relationship of the mother, of the teacher, of all people: anyone who has felt this great, sublime wind in the forest, in whom has arisen an interior feeling, a concept of something higher than the world, and who then goes through life as a friend and companion to the forest winds. He is transferred to the nature of “severe might”, a moral greatness and calling which assists him and accompanies him throughout life.

I have tried to take several basic relationships, such as those which confront us in life, and consider them with regards to the spiritual growth and becoming of an individual. If individualism asserts that this happens all on its own (self-sufficiency and self-creation), our dissection of the matter has shown the exact opposite: that the condition of the participation of another spirit is essential to the development of any sense of the spiritual in man.

More precisely, this realisation has two aspects. It is not just the emergence of the spiritual that is bound to the presence of another spirit, but its very

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<sup>89</sup> (Ed.) Eichendorff, J. (1970) *Werke I*. Munich: Winkler, pp.152-153. From the poem, *Der Jäger Abschied*.

<sup>90</sup> (Ed.) *Ibid.*, p.49. From the poem, *Im Walde*.

existence. The spirit of the individual must necessarily become precarious, faltering, confused, and succumb to suffocation and death if a true separation from the other (that is, from all external spirituality) occurs, where sympathy (interest) has ceased to exist. Only sympathy sustains. Even if Beethoven had already finished the Ninth Symphony, he would not have added the last stroke of his pen, the last note, if he had realised that no human ear would ever hear the tremendous word he would speak through it. (Unless he had completed it for God's sake, as it were, in communion with the angels and the Deity.) He would have been destroyed in that instant and should have regarded his work as fruitless. And it would not only be his annihilation, the whole world would have become worthless to him. We can put it this way, that *Gezweiung* is not only the condition and mode of birth for the human spirit, but also its mode of being, the means through which it exists.

We find in the socio-philosophical literature some significant formulations which make it easier for both the novice and the trained researcher to grasp and understand the basic Universalistic conception we have hitherto expressed. Firstly, there are the words of Fichte on the concept of man in his 'Natural Law': "As soon as you proceed to determine this conception fully, you are driven from the thinking of a single man to the assumption of another one."<sup>91</sup> This means: if I am to be a thinker to the end, I always find that absent the coexistence of another spirit, my thinking would cease to be. Fichte grasps this view as a default, but in his social doctrine he does not go so far as to draw all necessary conclusions from it, he cannot emerge from the eggshell of natural law. Schelling coined the idea that the individual is a lived reality<sup>92</sup>, a paradoxical opposite to the concept of the absolute individual. Taken literally, of course, this is a proclamation which leads to an environmental doctrine or a rigid variant of the Platonic Forms. However, what Schelling meant was that the individual spirit of the Form, in accordance with its means of existing, appears only as something influenced, as a mutual existence, and that this is an incontrovertible, basic truth underlying all analyses of the social sciences. Grillparzer's Sappho says very much the same when she speaks to her lover: "I sought you and found

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<sup>91</sup> Fichte, J. (1889). *The Science of Rights*. London: Trübner & Co, p.60.

(Ed.) Johann Gottlieb Fichte (1762-1814): German philosopher and key figure in the Romantic and Idealist movements. He exercised a lasting influence on Hegel, especially with respect to the idea of synthesis.

<sup>92</sup> This was originally meant in terms of natural philosophy. Schelling, F. (1856). *Friedrich Wilhelm Joseph von Schellings Sämmtliche Werke*. J.G. Stuttgart: Gotta'scher Verlag, p.42. Also, Fischer, K. (1902). *Schelling*. p.391.

(Ed.) Friedrich Wilhelm Joseph Schelling (1775-1854): German philosopher and key figure in the Romantic and Idealist movements. A student of Fichte.



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me”.<sup>93</sup> This sentiment can be repeated everywhere where mutual stimulation, revitalisation, reverberation and open criticism can be found. Whatever I seek out and demand, I find myself through it, for always my spirit receives a continuous education, I am always the one who emerges from the process a newborn.

To this I would like to add an additional proof, the proof that opposition to all that has hitherto been declared is untenable. It follows from what we have already touched upon in terms of the negative side of communal or *Gezweiung* relationships, that the emergence and existence of the spiritual, absent *Gezweiung*, is impossible. In addition to our example of Beethoven’s Ninth Symphony, there is the looming case of Archytas<sup>94</sup>: “If anyone were to ascend into the heavens and there see clearly the beauty of the stars and the true nature of the universe, that wondrous sight would afford him no delight, though it would be most delightful if he had someone to whom he could describe the experience.”<sup>95</sup> Without community, as this example also shows, neither the birth of the spiritual, nor even the assertion of its existence, takes place. Any sympathy (even the most remote) must be present within us as an inspiring aid, otherwise nothing spiritual can be generated in us. It is impossible for the human mind to get away with absolute apathy. After all, as the saying goes: “Against stupidity, the gods themselves battle in vain.”<sup>96</sup> I will do nothing, I am nothing, I will let everything go on as it is, with no sympathy for others. To contend with absolute indifference would be like running your head into a wall, sailing with no wind, or flying within a vacuum. Against “stupidity”, not taking part in another’s spirituality, there is nothing to be done, because our existence is negated to the same extent! Often unconsciously, the existence and availability of this second spirituality, this *Gezweiten*, is so indispensable, is absolutely vital for everything that constitutes spiritual life, existence and movement in us.

In our description of individualism, we have searched for a few keywords and basic types that demonstrate its nature as tangibly and impressively as possible. Let us also try to find such keywords and basic forms for the Universalistic, holistic way of thinking. We’ll begin with a more abstract yet significant Greek word. The individual is, according to the most complete conception, “*Systia*”, akin to the German coexistence, co-being, being together

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<sup>93</sup> (Ed.) Franz Gillparzer (1791-1872): Austrian dramatist. The romantic tragedy, *Sappho*, was first performed in 1818.

<sup>94</sup> (Ed.) Archytas (410-347 BC): Ancient Greek mathematician and astronomer. A contemporary of Plato.

<sup>95</sup> Willmann, Otto. (1907). *Geschichte des Idealismus*. Braunschweig: Friedr. Vieweg & Sohn, Vol. I, p.305.

<sup>96</sup> (Ed.) A line from the 1801 tragedy *The Maid of Orleans* by Friedrich Schiller. (1759-1805), a German Romantic poet, philosopher and dramatist. He was a contemporary of Goethe.



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(understood spiritually). The spiritual nature of the individual is not a-Systia, standing apart, as the theory we previously detailed claims. I only exist myself when I am together with others, says the Doctrine of Totality.

For such a-Systia, for such self-being, we saw in the figure of Prometheus in his defiance of God and the world an example of individualism. Universalistically, we confront this figure with another, Eros, who lives and dies with his Anteros.<sup>97</sup> Eros and Anteros, love and love returned, can only grow together and thrive, or perish. Spirit and counter-spirit, thought and response, feeling and reverberation, always two things that live and die together, but never a spirit which is self-perfected, which by its own power stands opposed to the world of its opposite, to Zeus himself.

In the figure of Heracles we saw (considered individualistically) the force which, drawing upon itself, overcomes all obstacles and wishes to conquer fate itself. The Doctrine of Totality raises the figure of Sleeping Beauty as a counterpart, the Sleeping Beauty who still sleeps and is suddenly awakened by the touch of a young knight. Every human being is, in their own way, a Sleeping Beauty. Suddenly they are struck by the new touch of a spirit, a new friend, a new word, a new book, and they discover in themselves a new power of the spirit. A new paragon approaches us, and we feel the same force within us as this model and counterpart. The Sleeping Beauty within us awakes, and a new soul, a new world gains life, becomes reality and takes shape within us.

In the Germanic fairy tales, we encounter a magical figure. It is the giant whose heart is trapped in a bird, and who cannot be wounded or killed for as long as this heart (or counter-heart) still yet lives. Just as the bird is killed on a remote island, so too the giant dies as a result.<sup>98</sup> This is a great illustration of how man is involved in other beings. The other spirit, the one which we are faced with, is our heart, our other self, the seat and source of our life and our power. It is not in ourselves that we find it, but in this other side, in the attachment to another spirit. This attachment alone is the anchor of our spiritual existence.



With all these illustrations, we have qualified in detail the basic ideas of the Doctrine of Totality, or Universalism. Already, a discerning eye has shown us the essential facts of all social life and being; yet it is also important that we grasp them in their full vitality and scope. For it is no easy task to even quantify

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<sup>97</sup> (Ed.) Eros and Anteros: Ancient Greek gods of love and requited love respectively.

<sup>98</sup> (Ed.) This fairy tale is in fact surprisingly widespread with variants across Europe and Asia. The context is usually that the giant has kidnapped a princess, and a hero must destroy his heart, guarded elsewhere, in order to rescue her.

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the scale of this thought which teaches us that everything is related to everything, that everything is connected to everything.

## § 11. The Concept of the Individual

Having in this way perceived totality as living and growing through movement, the question of the nature of the individual remains. This secondary question is the fiery test of every Universalistic doctrine; it is important to explain the individual as well as the whole. Here is not the place to exhaust this question (since a theory of individuality would lead us deep into the philosophical); however, the main points should not be avoided.

The two chief determinants of the concept of the individual, resulting from our already developed concept of totality, are: first, if we consider that the supra-individual is what is original (primary), then the individual is only something of the possibility of being (the “*δύναμις*”, the merely potential), and secondly, it is unique, it is distinct, this individuality. Let us consider these two determinants.

a) The individual is by its nature not self-created, self-sufficient, but rather the supra-individual is the original reality, that which awakens, gives birth, nourishes and first forms the individual. Thus, the individual as such is only something that can be, only something of the possibility of being, of dormancy, of capacity, of something potential. In truth, this potentiality, this capacity, is only realised through community, the individual only becoming actualised once he has been communalised. Precisely because, according to our doctrine, the individual is in himself only potentiality (not self-actualised), it follows that realisation, actualisation, takes place only in *Gezweiung*.

That this is so is proved by spiritual history. Above all, every great man appears, as one typically says, in a “spiritual relationship”, that is to say; in community with other great men and their teachings (a community stretching back into the mists of time). As a witness, I would like to quote Goethe; “People are always talking about originality,” he says to Eckermann<sup>99</sup>, “but what do they mean? As soon as we are born the world begins to work upon us, and this goes on to the end. And, after all, what can we call our own except energy, strength, and will? If I could give an account of all that I owe to great predecessors and contemporaries, there would be but a small balance in my favour.”<sup>100</sup> Among

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<sup>99</sup> (Ed.) Johann Peter Eckermann (1792-1854): Minor German poet best known for his *Conversations of Goethe* quoted here.

<sup>100</sup> Eckerman, J. and Soret, J. (1830). *Conversations of Goethe*. London: Smith, Elder & Co, Vol. I, p.263.

the poems ("Epigrams") is also an exquisitely appropriate verse under the name "The Original":

A Quidam says: "I am of no school,  
No master lives to give me rule;  
I'm far enough, too, from well-read  
In the dry learning of the dead."  
Of which, I take it, this is the amount,  
"I am a fool on my own account."<sup>101</sup>

The more the human spirit disdains the community, the more aberrant and miserable it becomes.

Again and again, social science returns to a basic fact: that the spiritual reality appearing in the individual does so only insofar as it is (by means of community, that is to say socially) actualised, the individual himself being therefore only the capacity of, possibility for, potential of, what is apparent. The possibility of truly creating something spiritual in a circle of fellowship; this is what constitutes the primary existence of the individual, what remains for him as his essence.

b) We have still more to say about the individual: in each individual there are only a set of very specific parameters of ability, of potency; it can never be a case of all things for everyone, but instead only a very particular realisation of the possible. Anyone who is unmusical can never, regardless of whether he is placed into a musical community and receives such education, become a Mozart.<sup>102</sup> The spiritual communities around the individual can arouse only certain abilities (powers) inherent within him. It is in this sense that unrepeatability, uniqueness, peculiarity, "individuality" is necessary for the individual. From this follows the fundamental inference used to assess the Doctrine of Totality: if Universalism judges the individual only as a member of an overall spirit, of community or *Gezweigung*, the individual is not annihilated, but is in fact given what belongs to him; uniqueness, individuality. His great pride, the chief characteristic of the individual, his exceptionalism, is not touched by Universalism. What Universalism must dispute is only that the original reality (the primary reality) lies in this detail. The Original Reality, the first thing, must always be considered in its entirety. Totality is what awakens, and it is therefore first, and it is something of its own; the individual is awakened, therefore he is later (both logically and temporally), and in his actual appearance he exists only as realised, and his own essence remains, in the determinations of his own abilities (potency, *δύναμις*), limited. Uniqueness

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<sup>101</sup> (Ed.) Goethe, J. *Select Minor Poems*, p.184. A *Quidam* is an inconsequential individual.

<sup>102</sup> (Ed.) Wolfgang Amadeus Mozart (1756-1791): Prolific German Classical composer.



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follows then, from two sources. From primordial nature, the original existence of the "self", because it (as a limitation of my actualisation of certain things, limited and framed as they are within possible realities) is a general condition for my existence, and thus (as far as sociology is concerned) need not be explained further. Uniqueness, however, also follows from the nature of the community which, as a spiritual organism, contains in itself limbs, partial organs, or in other words: peculiarities, differences, (differentiations) are necessary for it to exist as a whole of parts. Not that which is derivative (homogeneous), but only that which is differentiated (heterogeneous) builds an organism. Again, reality can be a whole without destroying the uniqueness of the individual. For what is real about me? That which brings me to my appearance in the world, the formation of my self: the community, the belonging to a totality. That which belongs to me as an ability can be said to lie behind me, as a real (actualised, brought to expression) individual, lying behind the first reality. My actual becoming-being is derived from the reality of the whole.

Sociology does not touch upon the ultimate secret of individuality. For the explanation of society, it is only the relationship of the individuals that is decisive, namely the question: what is the nature of this relationship? Is it the relationship of self-sufficient spiritual instincts, which would then be the primary and sole reality, with society consisting only of the composition of these? Or is relatedness, mutuality as such, the primary aspect, the genesis, and therefore also the original reality of the self, the personality, to speak as Schelling did it is the first cause, the first being to be actualised? With the affirmation of this latter question, the personality is not destroyed, the philosophy of individuality is not denied, but the ego's way of life is given a definite foundation for its basis.

The doctrine of individualism, in contrast, wants to present the individual as the original reality, providing for a completely distinct freedom of movement which grants self-determination within society, as opposed to what we have outlined above. This is not something to be obscured and there even appears within us something which speaks in its defence. It is the fact that each individual feels himself to be completely independent of the totality of spiritual fellowship. It can be, and indeed it seems thus, that every man becomes whatever he wants, joining himself (within the limits of truth) to almost any community which he finds agreeable. This applies in the political arena; for example, nothing prevents me from belonging to left-wing parties or right-wing parties, as well as in the moral realm; I can become a criminal or a saint. This freedom to change our minds, our thoughts, our principles and decisions impresses most in favour of individualism. But how is Universalism to explain why individuals feel so independent? The key lies in the basic fact described above: that the individual is only aptitude (not reality), and is thus capable of

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doing things in a different manner, of operating in a wide orbit, and, depending on the effects of *Gezweiung*, can call various incarnations, realisations (actualisations) forth. It is therefore not essential to the science of economy and society that the individual's conduct or knowledge can change, but only that such changes cannot occur absent *Gezweiung*. Even if one's spiritual content changes, like a shirt, this does not mean that he steps out, even for a moment, into an empty space and acts in a truly self-contained manner (autarky), but only that he enters a new community. Changes in attitude mean only change in community, they take place through community. When an individual flees one community, he finds another, and even if he escapes to the North Pole to live as a hermit, he would find fellowship with other spirits, or with the highest conceivable spirituality, the Deity. It can always be shown that all life is a community, a *Gezweithheit*, without which the existence of a spirit cannot even be conceived.

## § 12. The Relationship of the Individual to the Whole

Universalism's answer to this question is its greatest triumph. The basic supposition is as follows. If all that is spiritual within me is only a part of the broader community, and this means that it exists only as a segment of total spirituality, then the determinant of the "community" is at the same time something completely essential to my own life. The same inner laws of life, the same moral laws which exist in me as a spiritual being, are also valid for the spiritual totality, the community, and vice versa: the same inner conditions of life which the community has for itself are valid for my own being, and are essential to my life. My relationship to others is not (as under individualism) a case of myself, an absolute being, and a stranger who limits me; rather: the other is one who elevates me, extends me, and ultimately enables me to exist spiritually! The moral command, which I draw from myself, pours out of me as one who stands in relation to another; it is therefore essential to life for me since it applies to my relationship to the other! It follows that the relation of one to the other, the relation of the individual to the community, is entirely moral. It cannot consist in anything except morality, as the inner law of life for the spirit itself, which finds itself only in a collective which can integrate the individual into its own law.

Views about the nature of morality itself are of no interest to social theory. Whatever the individual may conceive as moral, in the Universalistic explanation of society, the basic fact remains unchanged that the inner condition of the individual's life is contained in his relation to others, and individual morality is therefore also the social morality. Whether we speak of desire, pleasure or utility, whether we ground morality in the a priori commandment of duty, or whether the divine will itself dictates what is good and moral, what I consider to be moral is necessarily only valid for me when it prescribes my relationship with others, because only in this relationship do I assert my own condition of life. Lastly, I draw my desire, pleasure and utility only from the other, because in them all my outer and inner conditions of life are determined; egoism in relation to others would necessarily be my own egoism, the concern for others the most productive, if circuitous, application of concern for myself; or we might consider duty as the law of life for an objective spirit in which I participate only to the extent that I live and share in what truly then becomes a spiritual community. Given this, the proponent of raw pleasure and benefit, as

well as the purely spiritual man, will always in fact strive for one thing: the maximisation of community. However, in the former case it will be more sensual and, in the latter, a purely spiritual community that everyone seeks. The social is always the actual, the foundational form of the moral, and from whence is derived the commands of the individual.

Individualism, on the other hand, is completely incapable of establishing social morality (as we have already seen on p.19). The individual can only have a concept of duty and morality for himself; and nothing remains for him but to necessarily regard the other as a limitation of his own spiritual space, of his freedom, a limitation of his selfhood (as we see above, pp.11-17), and so he must reject the other and keep him at as great a distance as possible. Thus, social morality becomes concerned with minimisation, and the law comes to be conceived in a similar manner (see above, pp.25-26). Taken to its logical conclusion, any individualistic moral doctrine other than social contract theory is practically impossible (if one considers Machiavellianism and anarchism as utopian, as one inevitable must). An individualist can, in the end, only say that others are useful to them, and this is why they sign contracts. Keeping this contract is then the only morality, that is to say, a usefulness that has its own cause in itself. It is advisable to keep the contact because otherwise the individual would be worse off for it. For this reason, utilitarian morality has been, in all its guises, overt and covert, the only wisdom provided by the individualist teachers of the past centuries! Kant, who did not want to be a teacher of utilitarianism, but who was an individualist (in-part very much contrary to his will), was therefore able to justify individualist morality without reference to utility, but in reality, failed to bring about a social morality.

According to the Universalistic view, the opposite is the case. The inner law of life for objective spirituality is the moral law; since this is real only in community (*Gezweiung*), then I am moral only insofar as I participate in the objective, in the community, and my morality is only true to this extent. If I live within it, in the *Gezweiung*, and even further, form its substance, then the law of life, the inner support or moral commandment of the *Gezweiung* can also be called mine; social morality is thus the first and actual, indeed the sole morality, because it alone can be mine.

This view is already found in the words of Plato: "The state is the bearer of good."<sup>103</sup> The state, the whole, the community, is not only the bearer, it is itself moral through and through, that is, the substance of the good, the substance of morality. It cannot be immoral, for the immoral argues against the essence of *Gezweiung*, against the essential nature of the spiritual, which can exist only as a spiritual totality, a universal, a *Gezweiung*. This teaching that posits the state as the bearer of good is so often misunderstood from the individualistic

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<sup>103</sup> (Ed.) This paraphrases a general moral idea of Plato that can be found in his *Republic*.



## *The Relationship of the Individual to the Whole*

perspective right up to the present day. But if presented correctly, it might be worded thus: the state is not the bearer of good because this or that statesman, ruler, politician, wants the good; but the whole (the political community, *Gezweigung*), by including the life essentials of my self, by comprehending my entire spiritual reality, my entire spiritual existence, is the bearer of good, indeed is in every sense the spiritual substance of good itself. Of course, something can be rotten in the state, a community can be bad and worthy only of ruin, but it can be such only against the (in itself moral) nature of community, i.e. only in violation of the inner nature of the spiritual, the "state" and the "community" respectively. Which communities, which states, which spiritualities are bad (for example, religious or atheistic ones), is a question of moral judgment which does not belong to sociological teaching. By its nature, however, every community has a moral quality, and further, only one moral quality (if not a positive one, then at the very least a negative one, but certainly not an amoral system of ethics, for example, mere utilitarianism, the mechanical nature of which can never give rise to community).

The Universalist concept of state and community therefore implies that they are thoroughly moral. As iron is but iron, and iron through and through, thus community can only be moral through and through.

When this insight is presented, the absurdities of the common conceptions arise, all of which can be summed up in the following claim: Universalism values the whole over the individual; it demands that the individual sacrifice himself to the whole. This view is based on a complete misunderstanding; the concept of "sacrifice" in particular is quite misplaced and inappropriate, based on a malformed question and on the fact that the individualistic mind in this case cannot escape its own errors. Under individualism, "sacrifice" can be rightly spoken of, for it conceives of the autarkic, self-contained, complete individual who weighs advantage against advantage and asks where his greatest benefit lies, which sacrifices can be exchanged for beneficial outcomes. But where the individual exists only within and through community, he does not sacrifice anything for the community, for the whole, but instead finds that when the community is attacked, he is himself at stake. He does not sacrifice himself for the whole, but for himself, because he is threatened as part of the totality itself. When a patient's arm is amputated, does it make sense to say that the arm sacrifices itself to preserve the whole? If the community is, through and through, the moral substance, if it is essential to the spiritual being or non-being of the individual, then the individual may well be threatened as a member of the whole and destroyed, but not because "the interests of the whole" are those of the individual but because he himself is threatened as a member of the whole (for there is no other mode of existence for him).

## § 13. Considering the Political Principles of Universalism vs. Individualism

### 1. Justice

The basic political concept at the root of the individualist theory is liberty, while that of the Doctrine of Totality, is justice. Anyone who takes as their starting point the self-marvelling individual must regard his unimpeded self-determination, his freedom, as the highest prerequisite; whereas he who starts from the whole finds that this status is held by the appropriateness of the parts in the whole, something which can be reduced to the word justice. In considering the whole, therefore, justice is the concept of the correct correspondence (correlation) of the parts with each other, a concept of construction, a constructive concept. And in considering the individual, one can say: that which is in the nature of the component part is just, for the reason that the role of the component part is essential for the life of the individual, it is his lifeblood. Justice then, is just as much something that I demand of myself; namely, that which is essential to my being in the spiritual whole, as well as something that is demanded from the whole, namely, that role which the whole, considering me as its component part, assigns to me. This double meaning may also be found in the well-known formula for justice, "suum cuique", to each his own. I receive what I am to the whole. We can call this "distributive justice," that is, justice from the point of view of the whole; (we take "distributive justice" here from *εν ταις διανομαις* as described by Aristotle)<sup>104</sup>, and further; I am me when I am part of the whole, and thus I demand to be all that I can be to the whole (and at the same time to myself), a justice which we would not be far wrong in describing as "devotional justice". The distributive and the devotional formulations of justice find that a justice drawn from the whole and from the individual are fundamentally alike. I am given what I am in the whole = I am given the whole as far as I am at all (that is, within the whole). Both perspectives, that of the whole and of the component part, are thus interchangeable. Therefore, one who is reasonable will see that the relationship of the whole to justice is identical to my own.

It follows from this firstly that justice is most certainly a social concept, a concept that makes sense only when considered in light of totality, of the

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<sup>104</sup> (Ed.) Aristotle, *Nicomachean Ethics* 1130b.

community, of the organic. Secondly (and I want to emphasise this), justice implies the highest spiritual dimension of both the whole and the component part. If the whole is positioned correctly in relation to its parts, then the highest spiritual measure of life is attained by it (and thus also by the individual); if the individual seeks out his proper station, then the individual's spiritual elevation is achieved along with that of the whole. The maximum of life for both the individual and for the whole is, according to the Universalist conception, one and the same. Hence also justice is the highest measure of life for both simultaneously; but the whole maintains primacy. If, in an organism, the heart was to be made stronger in no relation to the relative strength of the rest of the body, then this organism would fall ill. The exclusive strengthening of the heart would be at the expense of the health of the whole, thus ipso facto at the expense of the heart itself, which must live within the whole.

Justice as the constructive principle of the whole requires the inequality of its components, just as an organism consists of the heart, lungs, bones and other fundamentally unequal parts. Distributive justice does not feature equality but inequality as a necessary consequence. (We will have to continue this train of thought later. See below, pp.59-62).

Is there an individualistic concept of justice? From the Universalist perspective, strictly speaking, a concept of justice which is not distributive (devotional) is no justice at all. However, the individualistic way of thinking has, from its own point of view, formed its own concept of justice, the so-called retributive, compensatory or rectificatory justice (*εν τοις συναλλάγμασιν* as Aristotle says).<sup>105</sup> Compensatory justice is based on the biblical principle: an eye for an eye and a tooth for a tooth.<sup>106</sup> It may be doubted whether this principle deserves the name of justice, and not rather that of revenge, but it must be admitted that it is consistent with the presupposition of the self-determined and self-sufficient individual. If I am autarkic, then what I give is my own (solely my) product and property. I give only when I get, while I get at least as much as I give. "Justice" is therefore reduced here to the concept of exchange; as "compensatory justice". The exchange demands, in the ideal case, that equal compensation be given immediately in return. The idea of equality, therefore, governs compensatory justice. This justice, in the form of equality, has been established especially in individualist economics. Ricardo and Marx conceived of exchange as the equation of objective quantities (namely labour hours) and in this sense presented the whole course of economic processes (more on that later, see below, pp.123-124). The decisive factor is the concept of a just price. According to an individualist (compensatory) concept, the just price is the cost price; i.e. it should be the same objective, substantial values (costs) which are

<sup>105</sup> (Ed.) Ibid., 1131a.

<sup>106</sup> (Ed.) Exodus 21:24



exchanged. One could clothe this in the phrase: "performance in light of consideration". On the other hand, according to the Universalist idea, the just price is not a single price, but a gradated one. It varies according to the ability of the purchaser to give more or less, and the ability of the seller to dispense more or less of the commodity under consideration. You could encapsulate this in the phrase "payment in light of capability". In deciding how much I exchange for a commodity then, the substantive cost is not what is decisive, but the fact of whether I am poor or rich. An unequal rather than an equal exchange is here just.

Compensatory justice, which makes an equation out of the relationship between two exchanging parties, might (perhaps!) have meaning and justification in economic theory; in sociology however, it is an impossibility. For the spiritual life, as that which constitutes the essence of society, is not a shopping arcade. Here, the concept of individualist justice is completely shipwrecked.

## 2. Liberty<sup>107</sup>

a) Let us consider individualism. In the individualist view, as we know, liberty is the maximum measure of personality, the undisturbed quality of the individual in his self-determination and self-sufficiency, and thus (as we have stated above) it is the primary political concept of individualist thinking. The opposite of liberty is compulsion; where being for oneself is disturbed, the opposite of liberty emerges.

b) Now let us consider Universalism. In the Universalist view, all of this is quite different. Here, the existence of others does not disturb my existence, but conversely: my spiritual being exists only because another spiritual being exists. The other is therefore not an obstacle, but a fundamental condition of my own being. Liberty does not consist in being alone and is not the maximum measure of being for oneself, on the contrary: my liberty is only possible because someone else is, because there exists a liberty beyond my own. The individualist declares the liberty of one restricted by the liberty of the other. A mere error this is not, for what credulity belongs to he who so coldly, so mechanically, so soullessly considers his friends, comrades, countrymen.

It would also be fatal to arrange the institutions of life according to the individualist's minimum concept (seeking the minimal amount of mutual disturbance and restriction of existence), rather we should consider the reverse: the spiritual bond must be realised to the greatest extent possible; for the highest

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<sup>107</sup> Moral freedom or free will must be strictly distinguished from social or political liberty which we are alone concerned with here.



degree of spiritual mutuality, of spiritual fellowship, is also the maximum measure of one's own spiritual life. Spiritual bonding is a condition of life. From this it follows: according to the Universalist view, liberty is not the opposite of compulsion, but the opposite of spiritual isolation. Being alone, being for oneself, is spiritual death, is impoverishment. In the positive sense, liberty does not consist of what I want to do, but what I should do; however, this "goal" is (in Universalist thought) in perfect communion with both the whole as well as the individual ego.

Still, a tighter definition of "compulsion" is necessary. A concession that must here be granted to individualism is that sterile compulsion is indeed the antithesis of liberty, a fetter on my spirituality; a sterile union of spirits is just another form of sterile compulsion. But apart from sterile compulsion, there is also a fruitful compulsion, and thus language has coined the phrase "curative compulsion". There is curative compulsion, for example, when I learn to swim after being forced into the water. It is in this sense one can proclaim: liberty can be found in compulsion. However, this statement is only conditionally valid, as are all paradoxes. Strictly speaking, compulsion is only the preliminary stage of true liberty, as a formative, creative force that lays the foundations of the spiritual community.

From the Universalistic conception it then follows: liberty is not in any sense the foremost foundational concept of communal life, nor of life in general. Because liberty can only be achieved on the foundational (primary) fertility of interrelations, it can only become real in the actuality of spiritual fellowship! Liberty is only a meaningful concept if the guarantee of a maximum of creative power is achieved not through a lack of hindrance to being for oneself, but through mutual spirituality (and this is the only kind of spirituality). In education, for example, we do not idolise an education with the greatest degree of liberty, an education without compulsion, but instead that which forms the desired spiritual/intellectual level. Neither the terms "liberty" nor "compulsion" can be at issue here, but only the question of where and for what kind of success a compulsion is practiced. Everything always comes down to one question: how can we make it so that the maximum level of community (we mean valuable community) is achieved? Insofar as compulsion is required, it is fruitful and therefore justified. Where we throw ourselves into the investigation, it always becomes apparent (that which is fundamental to true sociological insight) that (social) liberty cannot be a first principle nor a basic concept, but only a derivative, only a justified concept. This liberty must first seek its justification; to be found in the original fact of social and personal reality, of the community whose maximisation it must serve.

One last important question is the moral content of social liberty. From the individualist point of view, liberty is basically something formal, morally neutral. The individualist must logically conclude: "No one has to take charge of me, I own myself, therefore, what I do and do not do, only I may judge these

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things; only if I infringe upon another beyond the agreed and prescribed minimum (his rights), must someone else take charge of me". The exercise of liberty is thus withdrawn within its established limits, beyond social/moral judgment, because it is left to each man what he does with his liberty! The Universalist view is quite different. There, liberty is something thoroughly moral. Liberty must be morally justified because it is derived from real life, which is a life of the community.

All that follows from the Universalist concept of liberty is surrendered in what is the most dangerous aspect of the individualist concept. This danger is precisely the spiritual impoverishment of the individual; for to strive for the highest degree of being for oneself means to deprive the individual of the spiritual air of life. The salvation of man from dullness, narrowness and estrangement lies only in the minimum measure of spiritual being for oneself. A second danger is also the moral neutrality which is accorded to one's social and moral liberty. Those who have eyes to see clearly perceive how the deepest harm of the whole modern age, with its individualistic spirit (especially in the individualistic peoples and countries, for example, America!) lies in the lack of spiritual communities, the erroneous belief that everyone should do what they most ardently wish, in the absence of fruitful compulsion, all of which results in spiritual weakening and lack of culture. Therefore, externality rather than inner spirituality, a drive to without, rather than deepening within, this is the hallmark of every individualist development. Meanwhile, the danger of the Universalist concept of liberty is that which goes against it: the sterile, unwholesome compulsion, the rigid, dogmatic bond, the unproductive, indeed life-killing over-regulation. Insofar as the development of one's own spirit by the community implies compulsion as a precursor to community building, as a curative element of growth, clearly the danger of unfortunate compulsion is obvious. If, for example, a musical father wants to educate his son in music (to force him into a musical spiritual community), even though he is unmusical, the application of compulsion becomes disastrous.

### 3. Equality

This brings us to the most controversial concept of our times. No other concept plays such a decisive role today, and yet in terms of social theory, no other term is beset with so much uncertainty and confusion. This is because a thorough, systematic dissection of the concept, taking it back to first principles, has never been conducted (I have found no such thing anywhere) and thus clarity has never been achieved. We must, therefore, linger longer here than with any other concept, and establish a solid foundation on which to base our later investigations.

## *The True State*

### A. Equality considered as a basic sociological concept

First of all, equality cannot be a truly Universalist concept (Universalism taken as the apex of justice), because the Universalist concept of justice requires constitutive inequality, as we saw above (see pp.56-57), by assigning to each person a generally appropriate and therefore different position (allotting or distributing justice). In addition, every whole must, viewed from a purely structural standpoint, necessarily consist of different (differentiated) parts. There is no homogeneity in any organism. The homogeneous is not organic, the organic is not homogeneous! Thus, the concept of equality seems incompatible with the Doctrine of Totality.

On the other hand, the concept of equality is not simply an individualistic one; for an individual being for himself demands neither equality nor inequality with others, but only being for himself. Anarchist and Machiavellian thought yield the truth that being for oneself is in fact a declaration of inequality; from the point of view of natural law however, there is a small equality to be found in the common bond of the social contract: equal rights are enshrined by this contract; by an equal renunciation of the unlimited freedom of the self, the state is established. A close examination reveals that the concept of equality is neither an individualist nor a Universalist concept, but a mixed concept. To what extent does it contain components of each?

The concept of equality can be found in the first basic feature of individualism, because equality means that all should be free at the same time, and no one should be less free than another. But freedom is nevertheless the basic and primary concept.

Universalism, on the other hand, considers the individual not as an isolated atom, but on the contrary, finds him emphasised in his distinct aspects and conceived in a definite way precisely for the purpose of his incorporation into the whole, and it is in this sense that he is "equal" to others. Insofar as "equality" can only mean: in union, as a whole, as a member, then it is a Universalist concept.

Individualism again finds itself in opposition precisely to such integration, equating the different components with the whole, and so the requirements of the whole (according to which different things apply differently) are not decisive, but are instead fundamentally ignored. The whole is no longer what is primary, but individuals are, and so destruction becomes easy to accomplish. It is the totality that demands inequality (as we saw above), because homogeneous components can never become a whole. Thus, we see that the concept of equality leads to an idea of the whole as a mere conglomerate, that is, it yields an individualist concept of totality. From the Universalist point of view, equality violates the laws of community-creation, the nature of organic totality.



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Finally, individualism also adheres to perhaps the most important, or at any rate at least the most bizarre part of the concept of equality: "equality of that which is not equal", an idea which undeniably contains a simultaneous action of both laying low and raising up. That which is lower, in order to be made equal, must be raised to the same level, while that which is higher must be dragged down to this level. We may take universal suffrage as a perfect example. If one takes as a baseline the middle class citizen, politically at least partially informed, for example, the craftsman or the professionally qualified worker, then the voice of the completely politically uneducated and uninterested rural maid is evidently overvalued by comparison, it is artificially brought up to the height of the baseline; while on the other hand, the voice of the academically educated, the political leader, the expert and the entrepreneur, the scholar, the poet, is no longer valid at its own level where it in fact becomes invalid, and must be forcibly brought down to the level of the average. Equality thus necessarily contains an element of laying low, and in this sense can be said to be Machiavellian (by this we mean to say the individualist conception which grants the stronger to rule over the weaker). But equality is a very special variety of Machiavellianism. It is the rule of the middle, worse<sup>108</sup>, the rule of those who draw the weaker up to themselves and drag the stronger down to themselves. But insofar as the great multitude draws down and dominates the higher, within the great multitude the scum demands dominion, equality in the end resulting in the rule of the lumpenproletariat.<sup>109</sup> This allows us to name with every right the principle of equality as reverse-Machiavellianism; the dominion of the lower over the higher.

We have stated that "equality" is a mixed concept, something which would be no crushing judgment in and of itself but for the fact that it mixes things which are logically incompatible, the individualist and the Universalist, into something which is inorganic and, lacking any reference point, must necessarily destroy higher unity.

Lastly, we come to a question which, perhaps because it touches upon the personal, is in some ways the most important: that question already touched upon above (p.56) of how equality interacts with justice. Such a whimsical and contradictory concept as equality, theoretically speaking, could not have maintained prestige and validity for even a day unless it stirred something in the secret recesses of our breasts. "Equality of everyone who bears a human

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<sup>108</sup> From Plato to today's literature, this primary corrosive element in equality has been exposed again and again.

<sup>109</sup> (*Ed.*) A Marxist term referring to the underclass devoid of class consciousness and who were thus useless for revolutionary purposes. Included in this category were criminals, beggars and military deserters. Here, Spann likely scoffs at such an analysis given the example of the Bolshevik Revolution, which was fuelled by such persons.



face”<sup>110</sup>; could we have overlooked that we are here speaking of human beings, and that with this revelation the basic requirements of human justice are fulfilled?

And in fact! What great truth lies in this notion, but in what a strange mixture with the most glaring error! “Equality of everyone who bears a human face”, a phrase which must be unpacked further to gain clarity: “all of us are, after all, only human beings, people who are all equally responsible to a supreme, moral and divine law.” But what lies at the root of this equality, valid for high and low, rich and poor, big and small? No more than that human dignity belongs to everyone, the criminal as well as the saint, the genius as well as the simpleton. Certainly, the criminal and the saint are both human beings, both possessing one last, equal minimum of humanity, an inviolable “human” core; but never does this mean that they are the same people, or even that they are equally human, because the criminal is less human and more animal, the saint less animal and more human, indeed superhuman, a spirituality that rises above humanity. To respect the human being in the criminal is good and right; but to respect him as much as the saint is wrong, nay, absurd. Such equality would injure human dignity, the dignity for which the individual must first set in motion the value of his most unique and complete personality, which he must first achieve with his fully developed strength. We must never forget man, not even in cases where much of noble humanity (in criminal and animal natures) has been lost, and to attribute to this same inalienable element the title of humanity in the true sense of the word, is a commandment of righteousness, but it does not entail: to grant to all an equally high and noble human dignity, or in short, it does not mean equality!

Experience everywhere shows the greatest inequality in the spiritual nature of men, in their character, in their social actions, in every period of their development, in the relationship between, as well as in the absolute limits of, their ability and their will. Mother and child, teacher and student, master and apprentice, researcher and protege, artist and observer, actor and audience, judge and court onlooker, engineer and labourer, good and evil, saint and layman, sage and philistine; all these and countless other opposing grades, relationships, and activities of unequal persons build and form human society, constructing the state, the economy, art, morality, all of life’s relations, all supra-individual life-forces. Everywhere we see that through inequality, through the guidance and emulation that is conditioned by it, through superiority and subordination, the division and correspondence that it implies, through ascending and descending forms, all human life is determined.

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<sup>110</sup> (Ed.) Here, Spann is certainly alluding to the 1919 speech to the National Assembly of Weimar Germany by Friedrich Ebert (1871-1925), a member of the Social Democratic Party who served as Germany’s first president from that year until his death. Ebert was drawing upon the phrase used in Fichte, J. *The Science of Rights*, p.125.

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Nobody denies that experience shows inner and outer inequality in millions of shades. But the secret or openly expressed opinion of equality's advocates is this: that in the future, by perfecting education, by making the highest education attainable to all, the great mass of all men could be brought to equal spiritual and moral heights. It must be said that this view of the infinite "possibility of perfection of individuals" is a fatal error, that it is nothing but hazy fervour, a bottomless utopia that can only be taken seriously by men who know not the depths of the human soul, who know the human heart neither in its weaknesses nor in its greatness, and who want to offer a thin soup of water to the wild wolf of human destiny; of people who do not suspect that the fundamental law of being is against them. Wasting words against such utopian opinion would be futile. On this earth at least, the dream of the universal salvation of humanity will never be fulfilled.

However, I can discern another, no less decisive consideration of the principle of equality relevant to our examination of the question: to what extent is equality in law and in the economy practically feasible at all? First, consider legal equality. Whatever great efforts made by the democracies of history (from Athens, where the officials were drawn by lots, to America today) to bring about an equality of rights, has it really ever worked out anywhere? A closer look reveals that even in cases of the most violent imposition, full legal equality has always been absolutely impracticable: the gradation of rights has persisted between minors and adults, responsible and non-responsible (in cases of guardianship and trusteeship), men and women, adolescents boys and elders, good and bad parents (in cases of removing children from parental care, etc.), settled and wandering citizens (in cases that deal with places of residence and rights of domicile), innocent and guilty, citizens with full political rights and those without (in cases where civil rights are withdrawn, or rights are suspended due to poor documentation), residents and non-residents, natives and foreigners, full citizens and citizens of occupied countries (Alsace-Lorraine and Bosnia<sup>111</sup> as examples relevant to Germany and Austria), jurisdiction over registered and unregistered merchants, special courts for individual professions (commercial courts, industrial courts); these and many, many other degrees, divergences and divisions of political and civil rights prove that even formal legal equality cannot really be achieved; because of the hard, incontrovertible, infinite inequalities that life imposes on people and things which in the end makes such a fiction untenable. Even with formally equal rights, however, large differences of a substantive nature are ensured by "mitigating circumstances" and determinations of all kinds. The same violation of objective legal norms is punished differently in the case of the poor thief than that of the rich profiteer.

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<sup>111</sup> (Ed.) Alsace-Lorraine was a territory of the German Empire, seized from France in the Franco-Prussian War of 1870-1871. Bosnia, a Balkan region, was a possession of the Austro-Hungarian Empire between 1878 and 1918.

The term “economic equality” in particular we will have to address in detail later when we discuss Marx, so this can be ignored here.

We might give a final verdict on what we have said above by turning to an Ancient Greek observer. The judgment of recent writers can hardly be considered authoritative, but it will always be remarkable how Heraclitus<sup>112</sup> judged democracy more than 2000 years ago: “The adult citizens of Ephesus should hang themselves, every one [...] since they have banished Hermodorus, a man pre-eminent among them, saying, let no one stand out among us; or let him stand out elsewhere among others.”<sup>113</sup>

### B. Equality in the construction of the state organisation (Equality as a cause of atomism and centralisation)

The principle of equality would not be fully understood in terms of its relationship with society if one did not envisage the constructive consequences of basing state and society around its application. A clear understanding in this regard I consider the highest basic insight one can have when it comes to social doctrine.

We have seen above how the concept of equality conceives of the whole as merely a conglomerate of equal constituents, and thus leads to an individualist concept of totality. A whole consisting of nothing but equals is one of “homogeneous” constituents, i.e. totality is atomised (and thus, in truth, destroyed); all identical parts, all homogeneous atoms now form the (apparent) whole. According to the natural law concept, everyone in the social contract renounces the same rights, whether he is a genius or an idiot; therefore, everyone also receives back an equal share of rights and duties. The state is now, structurally, only a sum of equal components, its citizens have all become identical political atoms. We see so clearly our above deduction confirmed: equality leads to the fundamental annihilation of all organic structure in state and community, leads to a fundamental atomisation in their structural makeup.

Equally decisive is the reversal of our conclusion: the atomisation of all elements within the state requires the emergence of a single central power. It sounds so self-evident to us today, and yet the centralised view of the state is wrong down to the very core! Where unequal elements find themselves, according to their relative parity with one another, in organic (mutually exclusive) groups, these groups (e.g. the guilds, the feudal estates, the church)

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<sup>112</sup> (Ed.) Heraclitus (535-475 BC): Greek philosopher of the pre-Socratic era.

<sup>113</sup> Graham, D. (2010). *The Texts of Early Greek Philosophy: The Complete Fragments and Selected Testimonies of the Major Presocratics. Part 2*. Cambridge: Cambridge University Press, p.175.



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each have a different centre, distinct from other centres, i.e. decentralised organisational forces and rulers, as we see for example in the corporative state<sup>114</sup>, or in the human organism where the skeletal system, the nervous system and the digestive system form relatively separate spheres of life, "organ systems". But when all are subordinated as equals, they can submit themselves to only one centre, for there is no reason to make different groups out of equals. The atomism of the constituents is the first condition of the centralisation of the rulers' power; the atomism of the constituents corresponds to the full unification of state power. I wish to present this in the formula: one people, one government.

This consideration can only show where the application of the principle of equality ultimately leads: to a completely naturalistic-individualistic construction of the state; i.e. a purely individualist outcome (even while equality in itself is a hybrid concept of Universalist and individualist components). Only later will we see how even economic communism is transformed from a seemingly apparent Universalism into a rugged individualism (of a natural law variety rather than a Machiavellian one). (See below, § 21, esp. p.155).

What corresponds in Universalism to the concept of equality? An exact correspondence does not exist. Because equality is an illogical hybrid concept (as we saw), the question of equality is, from a Universalist point of view, a false question. Although, it does remain a secret desire in every human breast, that all people should be the same. But this demand, taken to its logical conclusion, yields the ideal of *communio sanctorum*<sup>115</sup>, not some truth of human society. This shows clearly enough that, in contrast to spiritual equality, economic, social and legal equality is inappropriate and unjust! Universalism can only demand inequality, but not wild, natural inequality (this would be Machiavellian or anarchic, in short, individualist), but organic inequality, inequality which remains within the framework of totality, which follows from the essence of totality, which is derived from and is built up out of the inner, variegated plan (functional system) of totality. More about this later (see below, p.178 etc.).

All of the ideas presented here are compelling and plausible, but some will say: should we not have the same voting rights, should we abolish equality

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<sup>114</sup> (Tr.) A word of critical importance to Spann's doctrine is *ständischen*. This word describes a form of social organisation which divides society along lines of function, into what we would traditionally call *estates*. This form of organisation dominated Europe's feudal period. While it is easy to translate *ständ* as estate, the descriptive form will be rendered as *corporative* or *corporatist*. Unfortunately, this term has an extremely varied usage in English. Being appropriately derived from the Latin *corpus* (body), in no instance here does it refer to *corporations* in the modern sense.

<sup>115</sup> (Ed.) Lat: *The Communion of the Saints*, i.e. the mystical body of Christ, in which are united all the members of the Church, living and dead.



before the law and in a general sense the equality of political and fundamental rights?

We will have to answer this point later (see below, § 18, especially p.115). Here we can only say so much: that the preservation of human dignity, which is often confused with individualistic natural law, must certainly not be touched. But organic inequality too must exist so long as any sense of justice remains in the human breast; for “natural law” conceived as an endorsement of equal rights is an unnatural, artificial, perishable, atomistic, truth-defying, unjust law; the law of natural justice, on the other hand, as the sense of justice the human heart alone stands as proof of, is a proportionate, an unequal law.

## 4. Fraternity

On the banner of the French Revolution were the words “liberty”, “equality”, “fraternity”. “Fraternity” is not a political principle, but in fact only implies a “friendly attitude”, loving sentiment. However, this is not the sole prerogative of one or the other conception of society. Both the individualist and Universalist conceptions make possible, on their moral basis, the friendship between citizens.

Nevertheless, here too the superiority of the holistic view is evident. For while it does not consider the demand for fraternity a moral inference, it instead emerges inevitably from the concept of totality, since this counts the highest degree of spiritual connection between men among its ultimate principles; on the other hand, fraternity under individualism is only one possible option among many which can be morally laid claim to, as Machiavellianism and its related form of anarchism show.

## 5. The Extent of State Responsibilities

The individualist, as demonstrated earlier, must demand minimal action on the part of the state, since for him the state is only a security association. For the Universalist, however, the state is the organisation embodying the highest degree of spiritual connection, that is, a “culture-state”, a state that apart from the mechanical tasks necessary for living together (security and the like), the spiritual connection of the state’s members, care for their spiritual life, must be taken in hand.

Raised as a possible danger of this viewpoint is the spectre of the “police state”, the state that interferes everywhere, wants to regulate everything and settles things to death or at the very least becomes an annoyance, that is, a state which organises sterile links. And it is indeed true that there is a danger in paternal, multi-faceted and done-to-death governance. An example of this is

## *Considering the Political Principles of Universalism vs. Individualism*

Plato's "state", where too much is controlled.<sup>116</sup> Essentially, however, this danger does not exist in the real world, and is practically held in check, most of all through spiritual awareness, the versatility of the human being, but also through organisational precautions which secure and maintain spiritual flexibility.

Because the communal processes, which first build up the spirituality of the individual, must be secured in their fruitfulness, Universalism gives the same fundamental possibility for revolution as does individualism. Of course, cause and aims are different. For individualism, the goal of revolution is always the greatest possible freedom, while for Universalism it can only be the shaking off of a (spiritually unfruitful, negative) bond, for the sole purpose of entering into a new, fruitful bond. Revolution here means the new formation of bonds, that is, a spiritual reorganisation, "reformation"; it is not a detachment but a rebirth. But an individualist revolution is detachment, an enlargement of the free space, the negation of as many attachments as possible, terminating in loneliness!

### 6. The Nature of the Law

Individualism, as we saw above, is a minimum concept, since it is designed to call for the least possible restriction that one finds in society, imposed by the other. On the other hand, Universalism is coexistence: education, growing through others, but not limitation, narrowing. Therefore, law, understood in the Universalist sense, is a most-concept (maximum concept); it is by its very nature the highest degree of regulation. This dichotomy of the individualist and Universalist legal conceptions corresponds to the above-mentioned contradiction between the minimum and maximum of state responsibilities, the security state and the culture-state.

Law is furthermore, in the Universalist sense, inwardly one with morality, for only what is morally right can be law. It rests on sound reason, which any kind of "heteronomous" law of particularism must reject.

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<sup>116</sup> (Ed.) For a long time, Plato's *Republic* was rendered as *Staat* in German.

## § 14. Individualism is a Fundamental Error

We have now considered the fundamental orientations of human society and their basic political concepts. However, the conclusion of this whole study is denied us by a widespread objection which we have yet to examine. A large segment of contemporary social and economic scientists oppose our entire investigation of the dichotomy of individualism and Universalism, arguing that there is hardly ever a pure individualism or a pure Universalism anywhere, that the whole contemplation is therefore worthless, and that the conceptual opposition of individualism and Universalism is thus invalid. This objection quite clearly demonstrates a lack of understanding; indeed, it cannot be called anything other than illogical and feeble-minded, but in most cases it may be excused by ignorance. Just as well, one could deny morality because there are always crimes, or truth because there is always error! Further, anyone who has penetrated the history of political science and the state itself knows that this opposition permeates everything, especially that which happens in the course of the state's development in doctrine and in life. The drollest thing is this: if you examine more closely these gentlemen in terms of the conceptions they pen, you realise that they are invariably and consistently individualists. However, only in the washed-out sense, as a clarification of their principles and a formal commitment to individualism would be most uncomfortable for them. Furthermore, today the general rule is that individualism and Universalism are worldviews and therefore cannot be scientifically proven. From this, one concludes that the individual sciences, e.g. the field of economics, are best advised to steer clear of them. One does not realise that economics, and indeed any social science in general, is quite impossible without tackling objects and questions (consciously or unconsciously) in an individualist or Universalist way.

Individualism or Universalism can be called the social scientist's worldviews, but through dissecting and conceptual work they can be grounded in social theory. Such social theory can, indeed must, lead to conclusions in the fields of the sciences and philosophy which have worldview consequences; but social science itself has nothing to do with such conclusions. For the social scientist, the consideration of consequences that lie beyond his discipline cannot be decisive. Let us examine this more closely.

A. Dissecting consideration. Already our whole investigation so far has proceeded from the presupposition that the truth about individualism and

## *The True State*

Universalism can be found through dissecting investigation. In the examples of Prometheus, of the genius, of the lonely, in the examples of mother and child, we have everywhere sought and dissected the facts themselves.

In critical reflection, the greatest difficulty lies in our education, which is individualist through and through. All of us, therefore, find it difficult to discern the path to an inner understanding and valuation of Universalistic forms. The basic forms of the individualist way of thinking, the keywords of individualism, attract us vividly, are familiar to us from the ground up. We ask ourselves again and again: can it be possible that the concept of Prometheus, of Heracles, is false? Especially the exclamation of Prometheus, who says to himself: "Hast thou not all thyself accomplished, Holy-glowing heart?", which sounds like an admonition to the Universalist not to turn away from the power of the individual (regardless of his dependence on his environment). But every test demonstrates that this very sentiment, by allowing the individual to stand in contrast to the whole world, contains the terrible error of the autarky of the individual. The individual may well raise himself against powers that are in some way his equal, by changing his spiritual direction and sphere, seeking and moving forward with new connections; but when faced with fate, Zeus, the cosmic potency, a rearing up, a separation, a removal from it is impossible. If only the individual as an uprooted entity could feel and assert himself in the world, if only he really did possess autarky as in relation to the deity that is discussed here, if he could really sustain such a defiance and defend his pure self, then individualism would be possible. But is such a thing human? Is it only superhuman? Anyone who considers things in their entirety must say: it is inhuman, bottomless, without existence, because nothing so withdrawn can still be called life! Universalism certainly may not deny the power and peculiarity of the individual, but the concept of Prometheus is unacceptable. What Prometheus wants is boyish, and you cannot call it anything else if you keep the facts in mind. This all bears relation to other basic concepts which in various ways falsely extend the individual's own power to the level of autarky. As in all such cases: individualism flatters the individual, but it also impoverishes him!

If self-determined self-sufficiency is a delusion, then on the other hand, everywhere, as soon as we question experience itself, we encounter the following basic, analytic fact: that it is not one's own power, but the connection with the spirit of the other which is representative of every essential relationship experienced by the people. Always the other's spirit is the plough which tills my field, loosens my soil. This is everywhere the true researcher's honest conclusion. The social form of being is the only life form of the spiritual. The spiritual is only as such through essential connection with another spirit.

**B. Internal difficulties of individualism.** The doctrine under discussion is also untenable for reasons of inner difficulty. Its consequent constructions are impossible, namely as anarchism and Machiavellianism. A life in anarchy is



## *Individualism is a Fundamental Error*

completely impracticable, while the Machiavellian way of life might perhaps be practically possible, but it is fundamentally unacceptable because the brutal enslavement of men by the strongest has always contradicted moral concepts. Such a world would be hell. The last centuries, which established individualism, have therefore tried a different form, natural law. It wants, as we know, to create equal civic obligations through equal renunciations of the rights of individuals, and thus to preserve the freedom in all other spheres more assuredly. Equality is the basic rottenness of the state's structure which natural law engenders. Natural law is clearly characterised by the non-existence of individualism on its own terms. With the inclusion of a Universalist element, as is partly contained in the mixed concept of "equality", it becomes a true mishmash. However one arrives at this consideration, the same conclusion remains: the logical constructions of individualism are impossible and unacceptable, while the acceptable constructions are not consistent with individualism.

C. Philosophical outlook. Individualism and Universalism do not themselves contain any particular worldview, but they certainly form very definite preconditions for philosophical inferences, yielding a very definite orientation in philosophical matters. Although we will discuss this question in more detail later, we must at least be clear in general.

Where does individualism lead in terms of worldview? The decisive factor is that individualism knows no attachment of the individual to the spiritual world of others, to the spirit of the other. The other spirit, for individualism therefore, is necessarily something irrational, and moreover something inessential, since it is only a tool of impulses and whims (instead of being a substantial co-condition of my own self and therefore as good as what constitutes my own self). A fundamental philosophical implication is this: just as the spirit of the other is not essential to me, since I do not appreciate or acknowledge it as such, so too is the whole world, for even if we consider the cosmic world, the absolute individual cannot acknowledge a substantive connection to it (here we arrive at Prometheus!). Everything which is above the individual will, indeed must, be degraded and rejected. This also affects the highest expression of the supra-individual, the Deity. To the same extent that autarky is seriously held, the idea of God must appear as a creature of one's own thinking, as an anthropomorphic idea. The doctrine of individualism is therefore fundamentally a-metaphysical. For those who hold to it, it is difficult to construct a concept of God that can preserve the postulates of the absolute supra-individual. I do not say that a concept of God, in which God is the most real being, would be impossible for any individualist; but it is probably not without restrictions and consequentially engenders inaccuracies in the concept of the individual itself. The natural mindset emerging as a result of the theory of individualism, it is to hold on to one's own autarky and reject the concept of God. And from this generally follows the inclination of all individualism

towards relativism and nihilism in moral, epistemological and metaphysical terms (the Sophists, the French materialists, the English utilitarians, Schopenhauer, Nietzsche!).

We will discuss later the consequences of individualism with regards to culture.<sup>117</sup>

Universalism is quite different. It explains the individual in his independence as well as in his attachment to others. The Universalist regards as a basic fact the connection of his own spirit with the spirit of the other, the connection of the individual to totality. He explains the totality as a fully independent reality, and knows, nay, demands from the outset, the existence of an independent supra-individual! He also considers (as we saw above, p.51) the concept of social morality in the form of moral teaching as the primary moral concept and need not first construct it through difficult gymnastics. He has not only the option, but the urge, the tendency to link the individual to an order, to a supra-individual cosmic order which is both moral and metaphysical. Individualism necessarily violates the intelligible order while Universalism leads to it. Of course, Universalism also has the option of denying the metaphysical (insomuch as individualism, likewise has the option of acknowledging it); but this is not the direction indicated by Universalist thought or Universalist systems. Only Universalism understands the world of society, masters it analytically, knows its true constituent elements, and has the opportunity of opening all issues to metaphysical verdict. Against the self-sufficient, sky-storming titan of the individual, which reveals itself ultimately as boyish arrogance, Universalism gives man again the infinite universe in its true reality and totality: it unites the individual with a whole world; and as much as the individual must give, that is, his whole self (making exception for potentiality), this much is given back to him: the exaltation, the security of being placed in a greater context, being part of a whole, of a whole world.

Whoever arrives at this position has achieved no small feat.

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<sup>117</sup> See below, pp.77-78.

## Section II

### On the Division of Society Into its Constituent Parts

Having finally accounted for the nature of everything which might be called social, it is still necessary at last to obtain an overview of the multiplicity of social phenomena and their classification, so that we are prepared for our later investigations.

#### § 15. Essence & Structure of the Constituent Parts of the Social Whole

Nowhere do we encounter human "society" as such, but rather everywhere we find only its bodily, specialised formations or constituent parts, for example, in the forms of religion, science, art, economy and state. We can describe these constituent parts as phenomena belonging together by virtue of an internal connection, as proportional units, primary organ systems within a social whole. These constituent parts or "objectivation systems", as we might call them, are divided into two main groups. Firstly, those which are formed through spiritual fellowship and which we call "communities" or "gezweigung"; and those which are formed by a commonality of action and which we call "cooperatives", meaning an action in common. As we saw earlier, spiritual communities are primary. These contain what is essential; where we act, we act only for the sake of ultimate goals which are provided by the spiritual (and sensory-sentimental) contents given to our lives. Thus, commonalities of action, cooperatives, are basically servile, while communities, on the other hand, are of a primary, purposeful nature. Examples of communities are science, art, morality, religion and philosophy. Cooperatives are, in order to enumerate them only briefly, to be distinguished as belonging to one of three types: 1. Resource-generating cooperatives, as found in similarities of resource generating ventures which we call the economy. (The economy creates the means for the pursuit of spiritual goals in enterprise, household or other forms of interaction which make use of food, clothes, dwellings, etc.) 2. Service actions (Hilfshandeln). The service action fulfils either the completion-condition of spiritual exchange in the form of "communicating", speech, writing, etc.; or else ensures the recurrence of spiritual continuities and service actions in the form of "orders", "organisations" or events. An educational association secures, for example, the recurrence of



intellectual community. In contrast, a factory, a company, a state enterprise, ensures the recurrence of a specific (economic) action. Family, church and state are the greatest organisations in a society. 3. Service actions of a higher order, that is, such an action which, again, offers to organise or paves the way for either politics or war. Political action is aimed at the production of organisations, but it does not organise itself and only creates the conditions for organisations, but organises, as it were, other organisations (for example, if political action creates a law that determines how public companies should be organised). Similarly, war seeks to create conditions for the state's foundations and its political functioning.

This small survey only seeks to discern the key lines in the unfolding of social content. Of particular importance is the nature of the economy, so here we give particular commentary on this issue. With consideration to what we have said, the economy in society is as follows: it belongs to the sphere of action (not of spiritual communities themselves). Action, to repeat, is not primary in conceptual terms. (What is primary can only be religious, moral, artistic, or of another spiritual quality such as the sensual or vital, but ultimately I can only act in order to serve a goal, which must ultimately be of a spiritual nature, e.g. to serve the religion, to build a church). Secondly, the position of the economy is characterised by the fact that it provides the means of action or procurement for the spiritual communities themselves. In this resource-generating capacity, the economy is in truth servile. Wherever the economy is under consideration, it is always found to be, by its nature, serving; "economy is the means for ends", for the goals of the spiritual community or those of political organisation or action (which are, once more, service actions rooted in spiritual goals). What enters the processes of the spiritual community can only be spiritual elements themselves, thoughts; but in order to secure the spiritual, means must be procured, must be economised. This demonstrates that the economy, through and through, is an output, a performance of duty, a service. Akin to one cell in an organism, as blood is only blood, so in the economy one finds nothing but a service, a mediation. The characteristic of being oriented towards a purpose as a paragon of means is the deepest nature of what we call economy.<sup>118</sup>



Given our understanding of the nature of society and its internal unity, the thought-structures of individualism and Universalism, our explanation of the political principles of liberty, equality and justice, followed finally by our exposition of the schematic structures of society and, in particular, the part played by the economy, we have now acquired the means with which we may approach the question of our actual subject.

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<sup>118</sup> See my *Fundament der Volkswirtschaftslehre* (1921). Jena: G. Fischer, pp.20, 38 and 49.



# Second Examining Part

## Critique of the Zeitgeist

“Philosophy is the innermost aspect of world history.”

- Hegel<sup>119</sup>

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<sup>119</sup> (Ed.) Hegel, G. (1908). *Vorlesungen über die Geschichte der Philosophie*. Leiden: A. H. Adriani, p.1080.

## § 16. On the Becoming & Essence of Our Zeitgeist

The Ancient Greek philosopher Pythagoras<sup>120</sup>, as Diogenes Laërtius<sup>121</sup> tells us, compares life to a popular festival in which “some went to compete for the prize [in combat games] and others went with wares to sell, but the best as spectators”. As such spectators we also want to consider the zeitgeist, the political ideas of our age, in the following manner; not as “impartial” onlookers, as the supposedly scientific viewpoint of today demands, but to apply judgment and thus make use of higher knowledge which goes beyond mere observation, in order that we might gain firm ground to stand on. The principle of today’s economics is accustomed to eliminating “value judgments” from science, and these cannot in fact be divided in a strict, obstinate and withering fashion. Such division has led to only a very small circle of “guarantees”, that is, those which come from recognised scientific studies. In following this view one turns away from inwardness, away from the spiritual reality of the object of our science<sup>122</sup>, losing sight of the whole, in order to produce a (supposedly) inductive, louse-like science, which strives for accuracy through a doctrine (supposedly) “unaffected by value judgments”. Where this has led is evident in our present state. In the past, great revolutions were essentially led by the sciences. Today in our high schools, all of science stands in the background and watches what is happening in terms of the motions we are in the midst of. Certainly, science must not mix its being and its ought. Methodological purity is a strict prerequisite for any genuine research and science. But are the sciences of life, such as social science and economics, really possible without recreating the inner reality of this life, or in other words, under conditions of complete separation from life? Our “science” cannot be conceived as a dead induction, for then its object slips through its hands, and when the object ceases to exist, it ceases to be a science. We must return once more to another principle of social science research, to the motto of directing one’s gaze to the content, to what is living, to the goals of human life, and ultimately living life in the right way!

The fact that we have to be mindful to consider the political content of our age’s ideas in itself shows the weakness of the position into which this false yet basic feature of our social science has placed us. This whole book would have

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<sup>120</sup> (Ed.) Pythagoras of Samos (570-495 BC): Ancient Greek philosopher who exercised influence on both Plato and Aristotle.

<sup>121</sup> (Ed.) Diogenes Laërtius (180-240): Biographer of Greek philosophers. This account can be found in *Lives of Eminent Philosophers* (1925). London: William Heinemann, pp.327-329.

<sup>122</sup> See above, § 5.

been superfluous in earlier ages. If a participant in the French Revolution had asked what their political ideas, what their mind and inner life consisted of, they could only have received one, simple answer: the idea of freedom, unconditioned, natural-law-based individualism; or taking as another example, somebody in a period of religious upheaval, the Reformation, would have answered: the self-determination of religious feeling and cognition, the absolute freedom of conscience, that is what is sought; we can give no such answer today; today, we are as yet unaware of what the revolution really wants, and those who think they know the answer, whether socialist or democrat, have no real clarity, as will be seen later.



If we want to identify the political zeitgeist in our age, then we have two different tasks before us, which are to be kept strictly distinguished: first, the circles of ideas which form its constituent parts must be dissected; then, we must identify the cultural value, the content of said circles, in relation to civilisation. Before we turn to these issues ourselves, it is still necessary to clarify the relationship they share with the social sciences today.

As compared to our approach, today's social sciences are in fact inept, contrary to the self-righteousness and self-assurance with which they otherwise present themselves as "exact", "inductive" sciences above all parties. For, inasmuch as today's social science (as indicated above) positions itself as being exclusively concerned with "causality", by seeking to investigate the causal laws of economy and society, it has necessarily become casuistic and atomistic; it pursues the individual case, it seeks severity (accuracy, exactness) and has, we must say, achieved therein great successes as in no other time. But social science has lost its leading influence on political life, on the course of history. We suffer infinitely from the arrogance of precision and its sterility. This is not an indictment of those sciences whose nature and output truly demand such precision, examples of which include mechanics, physics, chemistry, and other sciences; but for the humanities, and especially subjects which touch upon political science and social science, it is a grave reproach. The imitation of scientific procedures has virtually destroyed us. If we go into greater detail, we must consider another connection.

As a supposedly exact science, today's social science lives above all in the present. This is what it has inherited from the natural sciences. It is meaningless to the physicist what was thought about light a hundred years ago, because today's measurements and calculations work independently, more accurately, and therefore complete self-confidence can dispense with a hundred years ago. This approach by scientific thinking to the past, to essentially ignore it, is the rule also followed by today's political thought. Alone: what is life to one, is death to another, says an ancient saying. The content of an age's ideas is not a

causally produced, mechanical quantity. It is that which fills a time, leads its destiny; it is to be regarded as the breeding ground of history, its prime mover, its true driving force. But what is spiritual is never a product of the present, but always a child of the past. We think too little historically. Although we have elevated historical thinking to the level of an independent study and research principle (the "Historical School"), we have not established a historical way of analysing the contents of life, an organic form of knowledge, a way of life itself. We have artificially created a study of history, but it is not alive in our thinking. We live as true upstarts in the pure present, regarding it as something that is being-for-itself, as spiritually self-generating, instead of recognising how the past lives in and props up the present. A moral/political idea does not spring up spontaneously, as it were, like Athena<sup>123</sup> from the forehead of Zeus, but is born from the inner dialogue with what was previously thought, through inner transformation, affirmation and negation of what was said and lived in the past. We might say that what is spiritual in the present lives on the reality in the past and is neither self-generated nor self-sufficient. The belief that it is represents the deeply rooted error of unhistorical individualism, the political attitude of today. The self-assured attitude of transferring the method of scientific thought to political thought is disastrous, isolating and extravagant. The first thing we have to relearn in political matters is to recognise ourselves as sons of a father, to think historically in political/moral matters. In order to penetrate the essence and development of the spirit of our age, we now consider the individualist, Universalist and socialist circles of ideas.

## 1. The Individualist Circle of Ideas and its Cultural Content

The circle of ideas emerging from the past, which is by far the most alive in our present day, is that of individualism. Our recent past is individualist through and through. The Renaissance begins first with what one calls the discovery of the individual in art, which in truth is only the breaking away from all medieval-scholastic ties (for the individual did not need to be discovered in the Middle Ages). These trends, along with humanism and later the Reformation, were the gravediggers of the Middle Ages; thanks to them, it is natural law which supplies the constructive ideas for a new, individualist ordering of the state, of society, and of life as a whole conceived in terms of ever greater quantity and increasing practical usefulness. Two main stages can be distinguished in this great, triumphal procession of the individualistic idea: first, the breaking of the corporative spirit, the corporative ties of the Middle

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<sup>123</sup> (Ed.) Athena: Ancient Greek goddess of wisdom.



Ages, as they were found in guilds, church, state and fief<sup>124</sup> dependencies, cooperatives and brotherhoods of all kinds; then, the tremendous political breakthrough of new individualist ideas in the French Revolution.

The question which lay at the heart of the French Revolution, of that world of ideas which today determines our whole political life far more than we are aware of, we have already named above as the natural-law concept of freedom. The historical development of natural law as a political theory cannot be traced here; it jumped from Grotius<sup>125</sup> to Hobbes, Locke<sup>126</sup>, Quesnay<sup>127</sup>, Smith<sup>128</sup>, Montesquieu<sup>129</sup>, Rousseau<sup>130</sup>, and others. We are only concerned with the basic ideas already known to us: the concept of the absolute (autarkic) individual, the state of nature, the original social contract and freedom, tempered and made feasible by political equality, that is, by atomism and a mechanical and centralised construction of the state. Furthermore: the individual conceived as an absolute value, and the state conceived as worthless except in case of an emergency, something external and utilitarian.

The dominion of these ideas of freedom, which were at the same time (as we saw above, pp.71-72) necessarily rationalistic and anti-mystical, was unlimited in the sense of forming the age of "Enlightenment", something quite different from our own revolutionary era in which the speeding train has not yet crashed into us. The new world-spirit broke through the gate of the great French Revolution like an immense, torrential wave and culminated in a total collapse in the aftermath of the later liberal revolutions.

The political party forms adopted by the naturalistic, individualist idea, which will occupy us later on, are: liberalism, Manchesterism<sup>131</sup> (a special form of it) and democracy (i.e. the more radical, republican liberalism), all of which embody the idea of the highest degree of freedom with minimum restriction, the

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<sup>124</sup> (Ed.) Of greater importance further on, the fief was the primary form of feudal land tenure in medieval Europe, granted to vassals in return for allegiance and service.

<sup>125</sup> (Ed.) Hugo Grotius (1583-1645): Dutch humanist theologian and forerunner of the idea of international law.

<sup>126</sup> (Ed.) John Locke (1632-1704): English political philosopher and developer of social contract theory.

<sup>127</sup> (Ed.) François Quesnay (1694-1774): French economist of the Physiocratic School.

<sup>128</sup> (Ed.) Adam Smith (1723-1790): Scottish economist and free trade advocate. His 1776 book *The Wealth of Nations* is often considered the first modern work of economics.

<sup>129</sup> (Ed.) Charles-Louis Montesquieu (1689-1755): French political philosopher and principle source for the idea of the separation of powers.

<sup>130</sup> (Ed.) Jean-Jacques Rousseau (1712-1778): Genevan political philosopher and developer of social contract theory.

<sup>131</sup> (Ed.) Manchester Liberalism was an English social movement of the 19<sup>th</sup> century which sought to introduce free trade policies as a means to a more equitable society.

idea of free competition, the elimination of state interference from every cultural activity, and political equality in various forms.

Up to this point I venture to hope that I can count on general approval, since after all, the considerations above are basically incontestable or even self-evident. In the following reflection, however, I fear I will encounter resistance. We now turn to the cultural value, the cultural tendency of individualism. After what has already been said above (pp.71-72), I can hope to be understood by the opponents of our point of view as well.

In this question, again we must return to the very core of all individualism: the belief that the individual should be conceived of as spiritually sovereign, a self-sufficient being who can only stand before his own judgment-seat, broken free from all spiritual bondage. What does this "breaking free from the spiritual bond" mean? Allow me to illustrate an example. The religious idea demands a religious community. The religious community is necessarily a bond, e.g. in the form of a church. The idea as such and the formation of the idea (considered in Universalist terms) requires the community and thus the bond; however, being-for-oneself, self-sufficiency demands that one break free from the bond, free from the community. The individualist can submit himself to the bondage of the church, he can indulge himself, deny himself in order to furnish the idea, but he does this in spite of his individualism, in spite of the fact that he could, as a self-sufficient spirit, draw exclusively from himself and choose freedom! Or we might consider the ascetic idea. It demands bondage, a retreat from the economy, and thus it cannot seek economic freedom, but on the contrary the regulation of the economy. The individualist can only ever be an ascetic despite being an individualist, never because of it. First and foremost, there is in his heart self-sufficiency, the free arbitrariness of his nature; this sense finding unsuitable the ascetic idea which necessarily narrows his freedom. If the individualist submits to the bond that demands an idea, he must first have conquered and denied the free arbitrariness of his own self-limited spirit. He can only enter into a bond despite the urge to remain only for himself, in resistance to the call of his own Promethean self-sufficiency.

Given the basic attitude of self-sufficiency held by the individual, it follows that the individualist idea strives for a certain form of both spiritual and material life. In terms of the latter, it is the economic life alone that immediately takes on a different form through the cutting of ties, allowing each one to do whatever he pleases, "laissez faire, laissez passer!" Now everyone is unhindered, free and uninhibited, all forces turn towards what is external (what we call capitalism!), the most profound characteristic of this trend being that the spirit is directed outwards, the inner becomes externalised. Therefore: all individualist ages of world history are capitalist ages. Wherever individualist waves flow through history, in Babylon, Egypt, Athens, Rome, the Renaissance, humanism, or the Reformation (early capitalism), we encounter, as a result of individualism, first the unleashing of external forces, then that tremendous development of the

productive forces and the realisation of that entire life which we characterise as capitalist. The individual is unhindered in external self-determination; but by default, he becomes internally impoverished, with the only partial escape from this impoverishment being outward acts; hence tremendous development, the creative progression of outer life. An age like ours, with its all-powerful energy, had not yet been seen in the world, but only because none was so unrestricted, so thoroughly, furiously individualistic. Railways, machines, telephones and the telegraph, airships; why have not other ages invented all this? The people of such times were certainly no less intelligent than today's. Is perhaps the progress of science the reason for this? Vice versa! Most technical inventions, as has been proved, precede science (namely, theoretical knowledge) by a distinct amount of time; and thus we can say: the progress of this science is itself an outward, natural-scientific, technical kind of progress. In terms of spiritual merit, all of these accomplishments had equivalents in other epochs, but they were not directed or attuned in the same way; their people had no such desire, healthily abandoned it, forgot it, despised it (gunpowder in China is a classic example). Only an age that is completely outward-looking, that frees the economic activity of each individual, can awaken the "spirit of gainfulness" so that large economic output arises; in particular we are speaking of the creation of large markets (the first condition of large-scale businesses and machine use); the harnessing of millions of creative individual forces for such a purpose, allowing free competition to reward the stronger and more skilled, and finally unleashing a veritable Fenrir<sup>132</sup> which devours all mankind in its maw; only such an age could invent all that we have so fortunately invented in order to bring outer life to such unexpected heights. I must append here a short, dismissive remark for purposes of orientation. Our conclusion that capitalism always emerges in the wake of individualist sentiments, and therefore always recurs in history, contradicts the prevailing opinion of Marx that capitalism completes the development of the economy which started in a state of primitive communism. The whole historiography is today very much under the spell of this doctrine, so that it also partly agrees with the conclusion that a final collectivist crowning of this development is inevitable. (See below, pp.137-138).

What might we say of the formation of spiritual life on an individualist basis? Here too, the basic characteristic we explored earlier (see above, pp. 27-28 and 71), according to which the individualist desires to avoid any fixed bonds, yields a certain predominant trajectory: the a-metaphysical one. (Of course, this does not mean that every individualist is a-metaphysical; it is only a matter of trajectory, which of course does not necessarily have to conquer the individual person, but which prevails as a major feature in history, throughout the age in question). In its essence, individualism is necessarily a-metaphysical,

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<sup>132</sup> (Ed.) Fenrir: a monstrous wolf in Norse mythology.



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because the individual, insofar as he feels himself to be absolutely independent in spirit, can withdraw into himself, can dwell in his own solitude. We know that this solitude, this singularity, means an inner, spiritual impoverishment; but man copes with this impoverishment, it seems, through the intoxication of novelty, of particularity. I am my only kin, otherwise separated from all others! I can withdraw into this solitude, this inner primal state, and then I resemble Prometheus, who defies even Zeus! The individual feels compelled to evade any cosmic context and feels the possibility of rebelling against everything. The Promethean impulse, which carries within it individualism in the deepest sense, this is what eventually and necessarily opposes metaphysics. For the metaphysical, the celestial, the unconditional, in this sense wills to be something that stands above all detail, all singularity, all peculiarity. Above every particular nature (in this sense), the metaphysical Idea is supposed to reign as something supersensible; and thus the Idea (if we consider it in the Platonic sense as the spiritual precursor to the world of things) forms the spirit internally, with the thing developing outside of it. The Promethean man, on the other hand, wants the opposite to occur, he wants this to apply to what the individual creates of his own initiative, i.e. he wants the a-metaphysical. This describes the destruction of all objective values and effects in every age of individualism, for example the detachment from the hierarchy of values found in the Middle Ages through the Renaissance and humanism.

Along with this rejection of the metaphysical, we find at the same time the second fundamental spiritual trait of individualism: the utilitarian aspect, the drive towards what is useful and subjective (which, of course, necessarily coincides with the above-mentioned orientation out of purely external, logical necessity). Here, the moral, logical and other values no longer appear by virtue of their inner (a priori guaranteed, somehow supra-individual, objective) validity and sacredness, but only in a "utilitarian" fashion, by virtue of their external relationship with the individual, by virtue of their utile character. (Once again, we stress that not every individualist or every variation of individualism must necessarily seek benefit in such a way; they can also in some sense concede the consecration of a value, a supra-individual validity through which the metaphysical is introduced, but this can only be done against the innermost trait of individualism). Thus, with the rise of individualism after the Middle Ages (like the rise of the Sophists in Greece), so began the undermining of the authoritative, fixed, objective, a priori, or in some other sense, supra-individual moral teaching and order of life. In the end, the conclusion is reached that morality is common sense (something only Englishmen have had the miserable courage to formulate and defend); the moral is utile, good is that which is useful (albeit in a more subtle, mediated form). This moral doctrine of utilitarianism is at the same time "relativistic", that is to say, it depends entirely on circumstance; it is quite relational, situational, determining usefulness on a case by case basis. It is also somewhat "empirical", i.e. morals are a result of experience (again, a



changing, relative experience), what turns out to be useful is good. Furthermore not only morality, but also knowledge as such assumes this nature of the matter. Science is now empirical, relativistic and of course only a change utilitarian. Truth is that which experience confirms as truth, a change inexhaustible, manifold experience. "Truth" thus springs from the procurement (or economy) of the mind's reaction to this experience and its change. A further: external experience shows us only causation (causality), therefore experience tells us that even the spiritual sciences have no greater goal than discovering causal networks. Science is thus also inductive, for induction is the process by which experience is enriched and successfully questioned. And what that, science, just like ethics, becomes something changeable, subjective. The is a different truth for all times and nations, including every individual, because they all necessarily have different contents of experience, because different processes of assimilation take place, as with morality, so with knowledge. Can we then exclude other spiritual currents? Beauty, art, religion, philosophy, all of that which occurs and boasts a supra-individual validity before which the individual should bow, is attributed to experience, knowledge, utility. Beauty, for example, is said to have a hidden utility, because through the sight of the beautiful, the nerve centres are stimulated, and blood circulation is animated. Finally, we must address the cosmopolitan trait of individualism, which we also touched upon in another context. If, in one's own state, every citizen is the same atom, the same mechanical component of the political machinery, if "one people, one government" applies here, then why not in the relationship between man and man in general? "Equality" does not simply mean equality in one's own state, but "equality of everyone who bears a human face". Individualism accomplishes two things here. On the one hand it makes everyone the same, atomises everything; and on the other, it creates an insurmountable gulf between man and man. The inner solitude and freedom of my person leads me apart from my fellow citizens as well as anyone else. The unique individuals cannot understand one another, for what I am can never be known by another, and all similarity can only be found in appearance. Here is the root of the cosmopolitan orientation of individualism. It is now clear why the liberal parties can never become truly *völkisch*<sup>133</sup> parties.

From all this arises the important inference that the spiritual content of all individualist ages necessarily has the basic feature of a rationalised knowledge, that it is "rationalistic". In every individualistic culture, knowledge must prevail. Beauty, religiosity, metaphysical inwardness and all other things that are difficult to argue for, are rationalised to whatever extent possible. The individuals do not understand each other, and inwardly everyone is only for

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<sup>133</sup> (Ed.) The English equivalent *folkish* does not carry the same connotations. *Völkisch* parties were nationalist in an essentially ethnic, as opposed to liberal, sense and flourished across Europe in the early 1900s.

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themselves, but they can still share external experiences and enlighten the contents of each other's minds. Hence the French Revolution, and what preceded it, was an age of "enlightenment", of barren rationalism, and we are still in such an age (though no longer so exclusively). In morality, in science, everywhere, the metaphysical basis disappears to the same extent as individualism advances; everywhere there remains only the purely inductive, the empirical explanation of causes, observations, the determinations of measurement and calculation, the trivial. What is higher is expelled. (The recent pronouncement on history made by Max Weber, that the basic feature of cultural development is the rationalisation of life in general, is misplaced, as it only arises from individualist eras).

Let's summarise. As under individualism, the individual rests upon himself, his basic characteristic is breaking away from the world of the supra-individual in general. Individualism is thus, following its innermost trajectory:

- a-metaphysical, and furthermore in its relation to all spiritual things:
- empiricist,
- relativistic,
- subjectivist,
- inductive,
- causally scientific,
- utilitarian; and, finally, in the sphere of politics:
- cosmopolitan on the one hand (as far as the relationship of peoples comes into consideration),
- and on the other hand, atomistic and centralising, as far as the inner structure of the state is concerned.<sup>134</sup>

The whole of this spiritual culture of individualism is attuned to knowledge, to the rigid knowledge derived from experience, i.e. the individualistic culture is rationalist, is "enlightened". And finally, in the sphere of economics, individualism is capitalist, insofar as it pushes internal forces outwards, insofar as it agitates for the free movement of the individual, insofar as it represents free competition and free private property, instead of organising the economy, as was done, for example, during the Middle Ages.

Taken in its entirety, the spiritual content of individualism is partly externalised (in valuing "utility" instead of an objective, internal validity), and partly rationalised. The spiritual culture of individualism is rationalism and external action, i.e. civilisation.<sup>135</sup> In this we find at work, in its huge,

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<sup>134</sup> More on this above, see p.64.

<sup>135</sup> (Ed.) Spann is here adopting Oswald Spengler's definition of *civilisation* which is described as the terminal phase of a culture's development, when its energy is directed



overarching effect which we have been witness to since the great revolution in our spiritual prehistory, capitalism. Our capitalism did not come from land rents, nor from the rise of precious metals, nor from luxury, conflict and so forth, as Sombart puts forward<sup>136</sup>, nor from trade, money lending and warfare, as Brentano claims<sup>137</sup>, nor from a special religious disposition, as Max Weber would have us believe<sup>138</sup>; for capital accumulation through rents (etc.) already presupposes capitalism, as does the application of religious dogma in the capitalist sense; instead it arose for a purely spiritual reason, the inversion of ideas since the decline of scholasticism.<sup>139</sup> Capitalism, in its spiritual nature, as we have already recognised, can be defined as the deluge of externality, which is created when man frees the forces of his person from all intellectual bondage, transforming his spirit into the most powerful external effect, directing his totality toward the external because he is inwardly impoverished, isolated, unsupported by and free from the influence of attachment and union. The moment at which the individual sets himself free from the intelligible order and the great, spiritual connection, nothing then remains for him, since he believes he has victory already in his hands. He is like Ixion embracing a cloud instead of the goddess.<sup>140</sup> The individual genius and everyone who has been given the gift of renunciation can overcome the danger posed by such a development, but the crowd becomes impoverished, the spiritual life as a whole diminishes and then becomes externalised. Further, the suppression of what is inward through individualism then, by effecting the described unleashing of all forces for the good of externality, means; the upswing of technology, economy, communications, external progress in every sense, and yes, even science itself, which is reduced to only natural science. Technology has not been produced off the back of scientific advancement (as we have already touched upon on p.82), but instead the outwardly directed life has produced technology, and these technical advances have thrown themselves upon the natural sciences as means to sustain external lives. The atomic-gas theory was not yet found when the steam engine had already been produced.

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towards external pursuits. See *The Decline of the West: Form and Actuality* (1918). London: George Allen & Unwin, p.31.

<sup>136</sup> (Ed.) Forwarded throughout his work, *Der Moderne Kapitalismus* (1928). For Sombart, see p.vii.

<sup>137</sup> (Ed.) Ludwig Joseph Brentano (1844-1939): German economist and social reformer, forwards these ideas in his work, *Der Wirtschaftende Mensch in der Geschichte* (1923).

<sup>138</sup> (Ed.) Forwarded throughout his most popular work, *The Protestant Ethic and the Spirit of Capitalism* (1905).

<sup>139</sup> The concept of "economic sentiment" coined by Sombart is relevant here.

<sup>140</sup> (Ed.) Ixion: A Thessalonian king in Greek mythology. Invited to the table of the gods, he grew lustful of Zeus' wife Hera. Fashioning a cloud in the shape of her, Zeus tricked Ixion into copulating with it.



Individualism primarily shifts culture to civilisation (if we understand the former as the spiritual, and the latter as the external, the life of mediocrity). Individualism is anti-culture because it reduces spirituality and promotes civilisation. The individualist, determined only by himself, wishes to be something, but is in fact nothing; and because he is nothing, hence follows the change in the directing of energies towards the external. He always remains in the realm of will and never reaches the goal; hence the endless dissipation of energy in individualist ages, hence the growing destruction of inwardness, of the most fundamental of all spiritual things. In individualism there is a lot of energy and wilfulness, but no genius, there are great things achieved, but people are lesser.

Thus arises a relation of the spiritual and the material, which can be called the golden scale of history. On one side of the scales, the spiritual, the intelligible realm (diminished by individualism) is destroyed. What riches have been developed during centuries of interiority, are squandered or reduced to a miserable rationalism. On the other side, the externalities of the economy, technology and communications, among other things, come to weigh heavily on the means of existence. Externality metastasises, proliferates and grows large. The individual works with an irresistible creative power and submits himself to no association, no guild or restrictive order, far from nature with its most secretive powers. Together these bring about the unprecedented collapse of all cultural values, and the unprecedented rise of all civilisation values. This is how the golden scale of history works. It tilts more on the side of externality when one gives up what is within, and it rewards greater spirit when you leave the outside world behind.

## 2. The Second, Universalist Circle of Ideas and its Cultural Content

The second great root of our present-day zeitgeist lies in the Universalist view of society and the state. Fate has given us not only individualistic ancestors, but also Universalistic ones. No one believes that these are dead doctrines, a lifeless, bookish study. The antagonism of these ideas colours the battle of history, returns again and again, and above all it primarily constitutes the true course of history.

No sooner had the French Revolution come into the world than a circle of ideas emerged which presented the first, if at that stage still limited, counteraction to the individualist idea. It was the ideal of Romanticism, which was not a mere art school, but a way of life, a whole cultural and social theory. Following up on the categorically established supersensible element in our

mind, which Kant proved to be “a priori” in a purely analytical, purely epistemological way, Fichte, Schelling, Hegel, Schleiermacher<sup>141</sup>, Krause<sup>142</sup>, Novalis, the Schlegel brothers<sup>143</sup>, Adam Müller and others reintroduced the supersensible into spirituality and thus overcame rationalism. In this way Fichte, then Schelling and Adam Müller gave pride of place to the supra-individual in social, political, legal, and economic doctrine, thus overcoming the individualist explanation of society. With unprecedented energy and force of thought, Fichte was the first to chart this course, and thus accomplished what lies at the limits of human power, he, as it were, pulled himself out of the swamp by his own means. His train of thought was at first purely theoretical, following from theory. Examining the thinking of the individual necessarily leads to the thinking of another mind in order to explain the first. Thus, the central concept of individualism, spiritual self-sufficiency and self-determination, was assailed and finally supplanted by totality; totality which now appears as the nourishing father of the human spirit. It is no longer the self-creation of the individual, it is no longer the gulf between two spirits which determines the image of our inmost life, but the connection between them.

We have sufficiently discussed the essence and problems of the Universalist conception already (see above, p.31). Here, it is only necessary to bring to our attention the change, the transformation which will be required for the introduction of a Universalist circle of ideas, first and foremost, Romanticism, in the innermost machinery of spiritual life, in the heart-chambers of the zeitgeist. As soon as totality once more supplants the individual as the primary reality, an empire of intelligible values and worlds will necessarily enter the social and spiritual life. Take the religious idea as an example again. The idea of religion creates and demands the religious community. For the realisation (actualisation) of the religious individual is no longer conceived as in individualism, that I am the man who produces the thought and understanding of God; on the contrary, it is the wholeness of the religious community, the Church, that first births me as a religious reality, a reality which has only ever been created in such a way. The totalities, the collectives, the overall groupings work this change in me and are the primary bearers of spiritual culture, becoming thus the spiritual animators.

If the entry of Universalist thinking into the spiritual content of an age is considered in the sense of this example, then one realises what various forms of new life Romanticism produced first in Germany, then across the whole world.

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<sup>141</sup> (Ed.) Friedrich Schleiermacher (1768-1834): German theologian.

<sup>142</sup> (Ed.) Karl Christian Friedrich Krause (1781-1832): German philosopher and student of Schelling, Hegel and Fichte.

<sup>143</sup> (Ed.) Brothers August Wilhelm Schlegel (1767-1845), Karl Friedrich Schlegel (1772-1829): German poets and philosophers, key figures in the Romantic movement.

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Culture immediately receives here a different stamp than that of mere knowledge, the supersensible element enters people's hearts, the fullness of times returns.

It was the first major counterstrike in many centuries<sup>144</sup>, the first real breakthrough against the individualist conception of life. I do not assert too much by saying: if the German people will no longer be present some millennia into the future, if one will learn German from lost documents as today one learns Greek, an everlasting splendour will adhere to the German name, because the German spirit preserved Western civilisation from ruin by avoiding the stifling embrace of the Mitgard Serpent<sup>145</sup> of individualism. And this splendour will shine on the circle that runs from Kant and Fichte to Hegel, from Goethe to Novalis and Eichendorff, just as today it shines on Plato and Aristotle.

Of course, this breakthrough was not perfect. Romanticism suffered defeat, but it was a royal defeat. It was still too early, the individualist zeitgeist not having been yet spent, and thus life continued on under its old guiding stars. But Romanticism has not died completely, its lineage being already numerous and varied. It could not be taken and rooted out. We can count ourselves among its lineage.

What were the different forms, namely the political forms, of the new Universalist way of thinking?

In the realm of science, it is generally found in the fight against the mechanical concept of causality within the humanities: history, Germanic studies (not in the pitiful sense as it is practiced today, but in that of the Brothers Grimm)<sup>146</sup>, jurisprudence, economics; they all suddenly wished to be sciences based in inwardness, because they deal with total spirituality, not with blind causation. Unfortunately, this development did not reach a conclusion, but got stuck where it began. As a lasting fruit however remained the historical orientation, the "historicism", which first emerged in jurisprudence where it overcame natural law (even if it often acted merely to suppress rather than inwardly overcome); but it was not possible to entrench a valid alternative. In economics, it was first seen in the ingenious Adam Müller, the dragon-slayer of Smithianism, then in List and (to a greater extent than is known today) both of

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<sup>144</sup> There were in fact forerunners, in periods of genius, even partially in the anti-rationalist components of Rousseau's teaching, and of course we should not deny that the legacy of world history was never entirely abandoned by good souls.

<sup>145</sup> (Ed.) Refers to Jörmungandr, a sea serpent in Norse mythology, said to encompass the world by grasping its own tail.

<sup>146</sup> (Ed.) Jacob Ludwig Karl Grimm (1785-1863), Wilhelm Carl Grimm (1786-1859): German cultural researchers best known for their 19<sup>th</sup> century collections of German folklore.



the Historical schools of economics (Roscher<sup>147</sup>, Schmoller<sup>148</sup>), which survive to our day, although here too much has been achieved only in half-measure. But the denunciation, the dethronement of natural law in jurisprudence, the repression and shaking of the liberal schools in economics, is succeeding. In sociology and political science; Hegel, Schelling, Schleiermacher, Krause, Stahl<sup>149</sup> have done great and enduring work, but the positivist-empiricist period, which began later, stifled their development, so that today Universalist social science as well its account of economics has had to start anew.

A child reared in the Universalist circle of ideas, in the Romantic and Historical schools (not in socialism as, for example, Philippovich<sup>150</sup> falsely claims) is a student of social policy. Under "social policy" one should not understand alms-like gifts for the lower classes, for it concerns not only (the word 'only' having a much broader meaning here) help for the weaker groups of society, above all the workers, but it goes beyond this: it attempts the gradual organisation of economic relationships, the binding of free, hitherto unorganised economic forms. Social policy does not just seek to help, it seeks to build bonds in the free, unregulated economy of capitalism. If, for example, it is stipulated that the working day should be only ten hours, that the labour of women and children are subject to these or those restrictions, that there be compulsory insurance against sickness, accident, old age, disability, etc., then the hitherto free relations of businessmen with each other would be restricted, i.e. they would already be indirectly regulated, in some senses directly regulated and organised by the determinations of aid and cooperative worker services, entrepreneurs themselves, the state, or other participants. Social policy thus overrides the principle of economic freedom, it means organisation, but not a comprehensive organisation according to a specific overall plan, rather (and this is the weakness of today's revolution) only a case-by-case insertion of organisational forms and barriers.

Another successor to Romanticism which experienced incredible growth was the *völkisch* idea. We have identified the basic cosmopolitan attitude of individualism above (p.84) as a necessary consequence of atomism and equality. Conversely, Universalism is based on totalities, groups, special bonds! "*Völkisch*" means: determined by a people as a whole; "the people" is here a spiritual whole, a spiritual organism of a very specific nature. Man is therefore,

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<sup>147</sup> (Ed.) Wilhelm Georg Friedrich Roscher (1817-1894): German economist.

<sup>148</sup> (Ed.) Gustav von Schmoller (1838-1917): German economist and leading figure of the 'young' Historical School.

<sup>149</sup> (Ed.) Friedrich Julius Stahl (1802-1861): German-Jewish political philosopher, vociferous opponent of both German unification and the separation of church and state.

<sup>150</sup> (Ed.) Eugen von Philippovich (1858-1917): Minor German economist and former professor at the University of Vienna.



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insofar as he is not identifiable (distinct), a member of a "people", and then only insofar as can be justified, a member of "humanity". The powerful *völkisch* current in the *zeitgeist*, which surfaced since the wars of liberation in Germany, was again, above all, a child of Romanticism. This Universalist quality of the *völkisch* idea also explains why the liberal parties that initially painted its banner have had to retreat further and further, having to relinquish it to an ever-greater extent to the nationalist (non-individualist) parties. "National" liberal is a contradiction in itself, a *contradictio in adjecto*.<sup>151</sup> Liberal, natural-law-based, individualistic thinking can never be reconciled with *völkisch*, i.e. Universalist thinking, which is based on a particular special bond, and remain truly serious without contradicting its own assumptions. Rather, liberalism is the political equivalent of external free trade and internal economic liberty, in its inward and outward orientation containing the impulse to non-national, interethnic thinking.<sup>152</sup> As a result of the total lack of social science education today, this simple insight is generally ignored.

After all, the cultural content of Universalism is as clear as day. By binding man to a totality, and thus to the validity of objective, holistic (collective) ideas, his whole attitude is changed. The social and spiritual whole, the Idea, is now nursemaid and progenitor of man, bringing about once more the supra-individual, the centre becomes not me, but a totality, a binding and thus an awakening which creates a primary beyond me, a reality above me. Such is the action of universalism:

- objective instead of subjective;
- a priori rather than relativistic;
- deductive instead of inductive;
- intuitive rather than empirical (inner experience as opposed to outer);

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<sup>151</sup> (Ed.) Lat: *Contradiction between adjective and noun*.

<sup>152</sup> However, there is a point of view from which the *völkisch* idea appears to be a relatively individualistic limitation of Universalistic thought, namely, if you understand all of humanity as a single (ideal) totality and then, instead of integrating into this totality, you carve out a special totality, the *völk* community. In the case of the "*völk*", however, a relatively individual totality instead of the most general totality (that of mankind in general), must be considered essential. This juxtaposition ("*völk* totality" vs. "*humanity*") is only possible from a very general theoretical point of view, that is, in the general theory of society, or in the theory of nation; but in political theory and praxis it is excluded from the outset because there is no human whole, due to a lack of any organisation of all mankind. In the Middle Ages there was a unity encompassing all Western populations in the form of the Catholic Church, so such a juxtaposition was of practical importance at that time; today however, there is no such politically effective organisation (from the Catholic point of view because the Pope is now only a religious, not a political, authority); it is therefore no longer considered for political praxis and theory, and the *völkisch* view appears politically only according to its Universalistic content.

- purposive science instead of causal science;
- permeated with the irrational instead of a pure rule of the rational;
- inner knowledge in place of enlightenment;
- metaphysical instead of a-metaphysical; the spirit is with you, it occupies you, pressuring you, binding the economy
- corporatist instead of capitalist.

Thus, the nature of "science" is altered. It is useless here to regard science as the mere sum of changing experiences, but instead the logical as a categorical objective, a priori is now essential. Experience will always change, but the nature of logic forever grants science a supra-individual quality. Utilitarianism is dead. Something is not true because it benefits me or relates to me in a similar external way but is so by virtue of its nature as a truth.

In this sense, the Universalist attitude is in many ways the complete opposite of the individualist attitude. With it, the cultural zeitgeist around me is given its own spiritual reality. Thus, confidence (authority) arises again with the attachment to the Idea, inwardness becomes a basic orientation, and, above all, knowledge becomes no longer the sole, dominant element in the spiritual contents of culture; for now all the other elements of the human spirit stand beside knowledge, and the supersensible prevails over all. Every Universalist age is an age of de-rationalisation.

And again, we see here the golden scale of history sternly and relentlessly weighing the appropriate elements of Universalist ages: the exterior retreats as the interior advances. For the man who establishes himself in inwardness, his human spirit, which is formed by the intelligible realm of ideas, cannot turn its energy to the external. It values it less, is no longer able to indulge in it, and essentially loses a taste for it. Hence, the binding of the external, hence public regulation by means of investiture, incentive, restriction, community, cooperativisation, socialisation or organisation in any form. Man, if he is managed, is placed in the context of an organisation, and from this follows the fundamental fact: he becomes an organ of that organisation; and importantly, this entails the corporatist economy, not capitalism! But, if the individual becomes the organ of a cooperative wholeness, then he becomes fixed in his economic activity; freedom, initiative, the creative impetus of the individual is thus limited, economic activity itself being curtailed. There follows (in spite of many productive advantages) a relative stability and uniformity of the economy, a relative stagnation of technical progress, and all that we have learned to admire in capitalism, the undreamt-of development of productive forces and never-ending economic progress, cannot continue to nearly the same extent! Man is no longer the same. He who tames and binds the exterior cannot at the same time wish to develop it to its limits, to cultivate it. We shall discuss in greater detail below (see pp.166-167) how the opinion of today's socialist politicians is wholly untenable, that it is possible to achieve the same efficiency,

indeed the same progress, as found in the free market in the socialised economy by means of reward-pay procedures and similar measures, that the socialist economy might achieve the same level of productive forces as found in the capitalist order of life. This opinion entirely misjudges the spiritual impulses which incessantly advance the external means of our life today. This can only occur if everything spiritual in our life is directed towards externality. But if we focus on inwardness and on the binding of the economy through organisation or "socialisation," we must understand that we are to be poorer! Both things cannot be given by history, are not granted by fate: more inner life, more spirituality, and at the same time more economic wealth and economic development. Such is not the setup of our world. History measures both things with an incorruptible golden scale, and gives more of the spiritual, the internal, only by taking away from the external.

The fatal error that this is not so is rooted in the third circle of ideas, socialism.

### 3. The Socialist Circle of Ideas and its Relatives

Socialism has produced the greatest effects and occupies the largest space in the spiritual life of the century.

Socialism has evolved over time in various forms and educational constructs. Ultimately, however, only Marxism, which describes itself as the only "scientific system of socialism", considers itself to be the result of a development "from utopia to science," as Engels<sup>153</sup>, the collaborator of Marx, said. In practical politics, socialism violently opposes economic individualism (capitalism) with its programme of gradual protections for workers (in which, however, it pursues only social policy, not actually socialism), and especially with its efforts to collectivise and socialise production. In this manner, it has worked and works today as a powerful Universalist current. In addition, however, it has always strictly pursued politically liberal principles and pursues them even today, after the revolution.<sup>154</sup> Ultimate democracy and political freedoms in every form, free trade, economic freedom (wherever socialisation is not a particular bugbear), have always been the basic demands of Marxists. Thus, Marxist socialism appears to be, on the one hand, the most powerful adversary of liberalism, and yet on the other hand is its most powerful aide, both politically and theoretically. I would like to put forward that Marxism, in my opinion, is not a genuinely Universalistic structure of thought, nor is it any kind

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<sup>153</sup> (Ed.) Friedrich Engels (1820-1895): German philosopher of communism and close collaborator of Karl Marx. The quote refers to his 1880 book, *Socialism: Utopian and Scientific*.

<sup>154</sup> (Ed.) Given the context, this is presumably the 1918 German Revolution which established the Weimar Republic.



of explanation of society (at the last, there can only be the two fundamental explanations provided by individualism and Universalism), but a hybrid of individualism and Universalism. Since we will give below, in another context, an exact description and a critique of Marxist socialism (see below, § 20 and 21), a more detailed discussion here is unnecessary, and we may be content with a description of socialism as the third great circle of political thought in our age.

It is also appropriate here to acknowledge another, similarly ambiguous movement which falls between individualism and Universalism, one which is a characteristic part of our zeitgeist, the cooperative system. The co-operative system was nourished in various forms, and from manifold roots, in the course of the 19<sup>th</sup> century. Over the course of a hundred years it spread further and further. Robert Owen<sup>155</sup>, Louis Blanc<sup>156</sup>, Lassalle, Schulze-Delitzsch<sup>157</sup>, Victor Aimé Huber<sup>158</sup>, the "Pioneers of Rochdale"<sup>159</sup>, these are the persons to whom the various cooperative movements owe their foundation. In these names already we find a lack of theoretical and practical unity. All cooperative doctrine is Universally oriented, insofar as it substitutes the free, disorganised economic and social relations of individuals with an organisation of these relationships, namely a cooperative, an association. But insofar as these cooperative associations were regarded as "self-help" (which was predominantly the case), they were constructed by their authors in an individualist way, i.e. inserted into an otherwise individualistically conceived economic and social order, and regarded as free, contractually soluble bonds, which themselves were not organically connected with the other cooperative ties in society. Nonetheless, the Universalist features are impossible to deny, even though there is no systematic classification in the overall context of economic organisations, whether we here speak of credit unions, consumer cooperatives<sup>160</sup>, production cooperatives<sup>161</sup>, or even just groups based around economically offensive or

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<sup>155</sup> (Ed.) Robert Owen (1771-1858): Welsh social reformer, creator of various failed experiments in utopian socialism. He was a key advocate for child labour laws and the trade union movement, as well as the idea of the worker cooperative.

<sup>156</sup> (Ed.) Louis Blanc (1811-1882): French socialist politician, a key advocate of worker cooperatives.

<sup>157</sup> (Ed.) Franz Hermann Schulze-Delitzsch (1808-1883): German politician who founded the world's first credit unions, financial cooperatives designed to provide workers with credit and other financial services at competitive rates.

<sup>158</sup> (Ed.) Victor Aimé Huber (1800-1869): German social reformer, considered an intellectual predecessor of the cooperative movement.

<sup>159</sup> (Ed.) Refers to the *Rochdale Society of Equitable Pioneers*, an 1844 consumer cooperative in England which served as the model for other similar groups.

<sup>160</sup> (Ed.) A form of cooperative business oriented towards service provision rather than profits, owned by customers, with the aim of procuring needed goods.

<sup>161</sup> (Ed.) A form of cooperative business owned and operated by its workers.



## *On the Becoming & Essence of Our Zeitgeist*

defensive action (the unions). For in the case of cooperatives, economic relations between cooperatives themselves are organised, and in the case of trade associations there is an organised relationship between cooperative members and their economic counterparts; the former labour for direct economic organisation, the latter for a more indirect action in the sense of social policy (e.g. through wage agreements, working time regulations).

The formation of cartels and trusts also forms part of the cooperative movement in a general sense. But since there was no theory involved here, only the organic growth of confrontational structures, we cannot speak of a thoughtful, deliberately Universalist impact on the political ideas of the era.



We have thus considered the elements, the circles of ideas, the development, and the basic nature of our zeitgeist. We must now undertake a brief examination of the direction of travel, the crisis which has fermented in the zeitgeist.

## § 17. The Crisis of Our Zeitgeist

Our age, in all its chaotic confusion, suffers from a thousand individual crises which present themselves as “questions”, “burning tasks”, urgent “needs for reform”.<sup>162</sup> But these should not be discussed here. We have only to consider the fundamental crisis of our time, which I will describe the parts of thusly: the external political crisis of the present time, which was caused by the course of the war and which has hit we Germans as the vanquished party the hardest; the spiritual and theoretical crisis of individualism, which in its practical effects takes the form of a political crisis of liberalism and democracy; the economic crisis of individualism, that is, the crisis of capitalism as manifested in the labour question, and as a consequence the ensuing socialist politics and socialisms, finally culminating in the crisis of socialism itself, of that spiritual potency which, barely having emerged, is already beginning to decay and decompose. Since we do not intend to deal with the state-political crisis later, we will focus on it alone in this section, giving only a cursory survey of the other issues.

I. The state-political crisis. Through the defeat of the Central Powers, the war has brought about delimitations of peoples and states that are untenable, which oppose the nature of things, and which therefore (everyone already sees this) constitute a dormant crisis for the whole of Europe, a new set of entanglements presaging war.

If we German-Austrians first look at ourselves, we cannot just complain, but must also thank destiny with a glad heart. A painful but salutary stroke of fate has set us free; free and unchained from that thankless and ultimately unsolvable task of the old Austria, that task of coalescing the sum of small Slavic groups into a large, civilised state; thus we are free and ready to return to our old German home with a radiant heart. We await the hour when we will exclaim: all northern and southern tribes, the united brothers of the German home! Taken as a whole, the German people cannot abandon the purpose of union, so long as their nature is not suffocated and poisoned within them. How well does Rückert<sup>163</sup> put it:

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<sup>162</sup> (Tr.) The chapters jump erroneously to §18 here. This has been corrected.

<sup>163</sup> (Ed.) Friedrich Rückert (1788-1866): German poet. This extract is from *Angereite Perlen* and can be found in *Gesammelte Gedichte* (1837). Erlangen: Carl Heyder, Vol. I, p.24.

Before everyone stands an image  
Of what he ought to be.  
So long as he is not that,  
His peace won't be complete.

This image of unity between the south and north hovers before we Austrian-Germans, hovering before every German heart, leading us, guiding us, and it will not leave us until we have achieved the goal.

The second open wound on the German national body, the most powerful component of the European political crisis, is the subjugation of many millions of German nationals to all of Germany's neighbours. The Alemanni in Alsace and Lorraine, the Bavarians in South Tyrol, southern Styria and western Hungary; especially the three and a half million Germans who suffer in shame and disgrace from the bloody whip of the Tatar Czechs (for the Czechs, whom the Poles call the hunchbacks of the Slavic family, and the Ukrainians refer to as the Jews of the Slavs, are strongly influenced by their Tatar [Avar?] ancestry, as anyone who travels in Bohemia can already bear witness to in the streets); then we have the Germans in Silesia, Posen, West Prussia, East Prussia and finally also those in Schleswig<sup>164</sup>; all this shame weighing on our brothers under foreign yokes will not allow us to go home in peace and quiet, as the peace treaty assumes by some strange delusion, as the pacifist idiots and League bunglers in the style of Wilson<sup>165</sup> would have the world believe. The German people must be ready, they cannot rest, and they must consider what duty and honour demand. The German people have yet to build their political body, which is at present mutilated. The *völkisch* ideas currently prevailing will ensure that this is achieved. For us, it is understood deeply in the heart what was sung of the Chatts by Uhland<sup>166</sup>:

One probably says of the Chatts,  
They were put in iron rings

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<sup>164</sup> (Ed.) The list of regions is comprised of those controlled by the German and Austro-Hungarian Empires prior to WWI, which were subsequently lost in its aftermath. In speaking of the Czechs, Spann refers to their 7<sup>th</sup> century subjection to raids by the Avars, marauding Eurasian nomads whom he seems to conflate with the more infamous marauding Turkic tribe, the Tatars. The notation here may be an original editorial addition.

<sup>165</sup> (Ed.) Woodrow Wilson (1856-1924): US president during WWI and an architect of the League of Nations set up in its aftermath. A proponent of *self-determination*, he was instrumental in the emergence of new European states after the war, including those mentioned.

<sup>166</sup> (Ed.) Ludwig Uhland (1787-1862): Minor German poet in the Romantic tradition. Spann renders this extract from *Lied eines Deutschen Sängers* (concerning the Ancient Germanic tribe, the Chatti) incorrectly. It can be found in *Poems of Uhland* (1896). New York: Macmillan, p.52.

Until they were freed  
With a slain man.

The new order of the world is by no means so ironclad that the German people are eternally and hopelessly trapped by it. The united force of France-England-America is in itself hardly stable, Russia is now a threatening question mark for the whole world, and, just as importantly, for the first time in centuries the Orient is on the move. However, it is not our purpose here to look too closely at this crisis; because it is a mere matter of state policy, not a spiritual crisis, not a crisis of the zeitgeist. But if I be permitted to add one thing: our people face hard times in the years to come, but even so I see a brilliant light in our future. I see a new Ottonian<sup>167</sup>, a new Hohenstaufen<sup>168</sup> era coming, based on the following two facts. Germany is the largest, strongest mainland power left behind after the World War (for the future of France is only to become a second Spain); and as a result of the dissolution of the old Austria, Germany's tasks have fallen to her alone. The balkanisation of Europe now extends to Prague and Warsaw. Only Germany will be able to establish order here in the long run, and be able to suppress the always latent Czech-Polish, Polish-Ukrainian, Hungarian-Czech, Hungarian-Romanian-Serbian, Serbian-Bulgarian (etc!) wars. Because of this, England will naturally become the political ally of Germany. For in order to diminish Germany's maritime and overseas status, it would need to preoccupy it on the mainland. And this is of course its natural place. Today we clearly understand why Poland, Bohemia, Hungary, southern Slavia (even Greece) were once German fiefs. This state of affairs must return. When the German völk finds its man and things take the course set by their nature, there will be a glittering future for us, reminiscent of the old imperial era. Such is the state-political crisis. The other crises we will have to look at later in detail and in a comprehensive manner, and so we only count them here, namely they are:

II. The crisis of natural law individualism in the form of a crisis of liberalism and democracy.

III. The crisis of capitalism, wherein two crises are already manifested by the contestation that the present day political and economic order experiences through socialism. Alongside it goes at the same time:

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<sup>167</sup> (Ed.) The Ottonion dynasty of Saxon monarchs who dominated the German lands between 933 and 1024.

<sup>168</sup> (Ed.) The Hohenstaufen dynasty arising out of Swabia who dominated the German lands between 1138 and 1254.



## *The True State*

IV. The crisis of Marxist socialism itself. This too has its crisis. For in the same hour in which Marxism snatches victory, we see it riven by the deepest division, such that victory slips away from it before our very eyes.

At this point, there is the question: are we simply dealing with the sum of the four individual crises mentioned, or is there something unified, something bigger behind it? At the beginning, I expressed the conviction that today it is not a question of a sum of crises forming only parts, but a challenge posed by the individualist zeitgeist at its root. The crisis of political individualism, the crisis of economic individualism, of capitalism, are all obvious, they are crises of the ideas which are still the most prevalent in our time. We shall see that, in essence, the crisis of Marxism is also a crisis of the individualistic components in it, and thus the picture will unfold from all sides, something we already suggested at the outset: our era is the beginning of an absolute inner conversion, a dying off of individualism, a will to Universalism ascending from the deepest depths of the spiritual, to the spiritual community, and thus at the same time to the inner Idea, which can only be the supra-individual, intelligible and metaphysical.

Our crisis and revolution is, therefore, the opposite of the great French Revolution (as already mentioned at the beginning). The latter consisted of the political breakthrough of the individualist idea, which had been cherished for centuries and had penetrated into the deepest pores of education, and it meant the political victory of the individualistic zeitgeist, the cultivation of both liberalism and capitalism. The present revolution is something else; it is not the latest application of the French Revolution, but the first violent backlash against it; it is not a constructive revolution, but a revolution of departure; the departure from individualism. And the strange thing is that the overwhelming onslaught which rushes to overcome economic individualism has in a certain sense overtaken Marxist socialism, indeed having identified that Marxism is infected by the very sickness of the adversary, the sickness of individualism! This is indeed the strangest aspect of today's crisis and revolution: that the revolutionary victor was, at heart, part of the same crisis as the vanquished. The present-day revolution is thus, again, not found to be a counterpart of the French Revolution, but as a reverse Renaissance, a counter-Renaissance, though one still suffering from inadequate means, perhaps representing only the first, still clumsy and internally weak attempt at counter-Renaissance, but an attempt which springs from the depths of the German people's soul. The German people only tolerated the Enlightenment and Liberalism during the last centuries, only participating in their own specific way; the transformation was never quite there, as the Prussian state officialdom shows. For the völk-soul is indestructible, true as gold, and remains unchanged regardless of all historical errors; but today we are only at the beginning of this countermovement, this spiritual awakening. Our philosophy, our sciences, our poetry, our social,

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political and moral doctrines in particular have not yet developed the necessary spiritual resources for a full counter-Renaissance. Romanticism, which was a tremendous beginning, has slipped from the minds of the current generation (it itself came too early to accomplish anything historically), and a replacement has not yet emerged, meaning that our age still has to learn through errors while always seeking the true path. The birth of the correct, purposive, Universalist way of thinking has yet to come. Should we not want to give our contemporaries the words of Meister Eckhart<sup>169</sup>, "Take care, all of you, what you do!"

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<sup>169</sup> (Ed.) Meister Eckhart von Hochheim (1260-1328): German mystical theologian. This quote is from *Sermon 56* and can be found in *The Complete Mystical Works of Meister Eckhart* (2009). New York: Crossroad, p.293.

## § 18. A Critique of Liberalism & Democracy

The crisis of individualism has arrived, it is here politically insofar as democracy, at the same time as it has triumphed over dictatorship or at least the political idea of such privileged rights, has witnessed the complete breakdown of functionally democratic parties, resulting from an extended period of erosion; and it is also here economically insofar as socialism and communism have raised their heads to threaten capitalism.

We take liberalism and democracy as the political expressions of natural law individualism. Liberalism and democracy differ only in terms of stage. Liberalism can be regarded as the moderate formula of natural law, which is based on the constitutional state form; while democracy (from *δημος*, the people) allows for the people's supremacy to be exercised as directly as possible, the idea of the social contract and the sovereignty of the people being here most satisfactorily fulfilled. Since in Germany and Austria the most extreme form of democracy took hold, this is well known. However, it must be made clear that even our democracies are far from fulfilling the ideal, insofar as we have had from the outset a large, firmly established officialdom, appointed according to the principle of expert judgment, rather than election or party affiliation. The Americans (in some cases even the Swiss) would not like this arrangement. The democracy of the Ancient Greeks was more advanced than even the American version, for, as in Athens, generals and rulers were simply drawn by lot, the most logical appointment procedure given the assumption of equality.

From what do we now derive our standards for the critique of political individualism? We have already shown that individualism as a social theory is a fundamental error (see above, p.69). To repeat this would be superfluous. Here, it is necessary to recognise the defects and weaknesses of political individualism. As a political system, however, individualism is nothing more than an organisational form taken by the state. The form of organisation and the questions raised by it thus form the standards of our critique.

In order to conduct this investigation, we first need to answer a preliminary question: is "organisation" the same under individualism and Universalism? Or more generally, what is the goal of what is called "organisation", conceived in Universalist or individualist terms?

"Organisation" means, in a generally socioscientific sense, a development of spiritual community or common (cooperative) action, thereby consolidating, facilitating, building and securing a continued existence, ensuring necessary

external and internal conditions are present and all necessary support can be sourced. The educational institution, for example, is an organisation built around the spiritual community operations intended to take place within its walls, such as: provision for speakers, for the communication and invitation of visitors, for the lecture hall, light, heating, blackboard, chalk, sciopicon<sup>170</sup>, library and the like. The trade union (as an organisation for joint action) makes provision for this action and determines its scope, e.g. by the accumulation of strike pay and the planned use thereof. In the first case we have before us: listening to lectures, exchanging views and ideas, i.e. community building; and the facilitating "institution" is the organisation of this community; in the second case we have before us: the joint action of the workers, e.g. in the form of a "strike", its planned form and strength being a product of the "union", the organisation of action. The state is nothing more than the ideal totality of all organisations, the (ideal) overall picture, the higher unity of all individual organisations of life.

It now becomes clear that "organisation" cannot mean the same thing in both the individualist and the Universalist conception, for ultimately, the organisation can only ever be an organisation of a cooperative nature, that is, of common action, of external relations of individuals to each other! Since every individual is at base spiritually autarkic under individualism, the highest degree of spiritual connection cannot be sought organisationally, but conversely: the organisation should only diminish and eliminate the conflicts of action, the external collisions and friction of individuals; the "law", as the epitome of all organisational norms, is supposed to be, as we saw above, a minimum concept in this particular theory; "law" should offer the highest degree of freedom, the least amount of regulation, of state interference; "law" should organise the state, and through it the overall coexistence in society so that as little organisation as possible and as much individual freedom as possible is present. The result is: taken in the individualistic sense, "organisation" is based on the ordering of common action, i.e. on the smoothest possible ordering of the outer coexistence of the individual, thus bringing about the greatest possible spiritual "freedom" and "isolation" of the individual, and also the least possible influence on an individual's action.

The opposite is true under Universalism! According to the common terms "law" and "state", "organisation" is not, above all, the organisation of common action, the ordering of external relations of individuals, but taken in the Universalist sense, "organisation" instead refers to the most intimate and diverse spiritual connections between individuals and regulates external action only on this basis. Considering our examples, we can say that in the Universalistic sense the whole state is an "educational institution", an organisation of spiritual community formation; whereas in an individualistic

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<sup>170</sup> (Ed.) A variant of an early projector known as a magic lantern.



## *A Critique of Liberalism and Democracy*

sense, the whole state is a "trade union", an organisation of optimum external action, which is supposed to make it possible for us to leave each other alone to the greatest extent. The political systems of Universalism therefore want to organise as much as possible, with a primary focus on the spiritual; the political systems of individualism, "liberalism" and "democracy", on the other hand, want to organise as little as possible, with the primary focus on the external. We thus expose the term "social-liberal" as a *contradictio in adjecto*, a contradiction in itself (similar to that which emerged above on pp.90-91 in the case of "national" liberal). "Liberal" does not mean "social", it does not mean to bind, but means to separate, to cut off, to produce freedom. It is a futile attempt, to leap from the individualist idea (which nevertheless demands the pure security state) to the "culture state", to reach the state with spiritual and not merely external purposes. Of course, any such attempt is doomed to fail unless individualist principles are abandoned. A second similar conclusion follows. If "social-liberal" is a contradiction of both concepts, then the term "social-democratic" is as well. The two terms cannot be combined by a hyphen, no more than yes and no, or fire and water, because "social" means to bind, "democratic" means to dissolve. But what then does a century deserve that patiently accepts this grotesque contradiction? What does a scientific system, or a party that fabricates it, deserve? Contempt!

We have now made clear what organisation is, the differences in its political significance for individualism and Universalism. The most important question still remains: what constitutes an organisation in terms of its internal structure, what formal structure does it have? Sociology tells us: the structure of every organisation is superordination and subordination; organisation is possible only through the superordination and subordination of the organised components. An example is the organisation of common economic activity, as represented by a factory. It is clear that the factory consists only of the superordination and subordination of the components of the production process, which are integrated into each other in a division of labour. There must, therefore, also be a ruling power (supreme standard), which determines both superordination and subordination and is their guarantor; and this holds regardless of whether this sovereign power be (in capitalism) the factory owner, or (in communism) the management appointed by the general overseer of the economy; whether this power be monarchical or collegial. Such is the primary problem of politics, that a sovereign power, a leadership, is required because superordination and subordination constitutes the form of existence and life of every kind of "organisation".

That a ruling power is necessary for every organisation implies two special problems which are, however, intimately connected: 1. The problem of the state form, or more precisely, the form of government or the form of governance of all organisations as a whole; 2. the problem of appointing the ruling power (the leadership, the authorities). The possible forms of leadership are all now known:

the rule of one (monarchical state); the rule of the (privileged) few (aristocracy); the rule of the many (democracy). These three general forms, of course, allow for various modifiers and overlap, but this is not of interest to us here. It is clear that the modes of ordering the ruling power are intimately connected with the form of rulership itself.

On individualism, the basic idea is that the power of the rulers has its origin in all the organisation's members and is derived in the same way from all. (This is the original social contract of natural law). Therefore, according to an individualist view, the parties from which order is derived are all members of the organisation; the ruling power itself is thus consistently one in which all the parties from which order is derived are implicitly, potentially represented. If order is derived from all, then all must rule, all must be represented in the permanent rulership. Democracy is therefore the only thought-out, logically correct political form of natural law individualism! Equal parties to the social contract (the citizens of the state), equal power to influence order (universal suffrage), and a form of sovereign power which, composed in a collegial manner, embodies the will of the ordering party; these are the principles of natural law individualism. (Constitutional liberalism and enlightened absolutism, on the other hand, partially violate these principles). Continuing on: are we not confronted with the fact that where everyone is an equal ordering party, only the mechanical principle of the majority can decide? Here again the atomistic nature of natural law comes to light. Each individual is an equivalent atom, Nietzsche and his bootblack have the same voice, everyone is weighed with the same weight and balanced: the majority should rule! An even more ruthless expression of equality is the principle of the lot, as mentioned above, found in ancient democracy. Here is expressed the discontinuity (changes of parties, the fall of ministers) of the masses and a classical example of levelling. Under the influence of tradition, the principle of the properly ranked official is still prevalent in Europe today, especially in Prussia-Germany; in America, however, Athenian tendencies already show themselves, inasmuch as almost every change of president (change of party rule) displaces hundreds of thousands of civil servants. It is also quite openly said there (as Max Weber himself informed me in detail after his trip to the United States): "In fact, the principle of the permanent employment of knowledgeable and well-trained officials is superior, and we also know that our officials, whose terms of office are short, very often take care of their own pockets and must leave just as soon as they become familiar with their role; but we have enough money for that, and what matters to us is that the officials do not act as our masters (as perhaps they do in old Prussia, in old Austria), but are bent to our will." The same is true in Switzerland, where one chooses laymen over the prospect of competent officials, for example, people straight from school.

As always with individualism, its political theory has a set outcome: mechanisation follows from atomisation. If every voice is an equally important

(equipollent) atom, then no voice can have more intrinsic value than another. It can only be weighed or countered purely mechanically. In individualist economic theory we can find the same conception of the economy as an *ordre naturel*<sup>171</sup> from Quesnay on, that is, an order in the natural law sense, in the sense of a causal mechanism. Democracy also considers the political organism purely mechanically as a house of atoms, as *ordre naturel*. Not the quality but the quantity prevails in the measure of mechanical weights.

This logic should also appear absurd to simple, common sense, all the more so as life itself decides otherwise. For in reality, no one lives according to the principle of majority, but only to that of value and truth. For example, anyone who needs advice will seek to follow the judgment of the most insightful, the most knowledgeable, the wise, the best, however, this means that which is above him must prevail, not that he will calculate mechanically what opinion is held by the majority of his fellows. To vote on the truth and the right is the most absurd thing one can imagine.

From a Universalist point of view, the substance of society is not the individual but a supra-individual spirit, as we have found time and again. The organisation of the "state" is the expression of an essential spiritual totality, not of the accidental will, neither of the majority nor of another sum of individuals, determined by coincidence and arbitrariness. How does Universalism determine the method of appointment and the form of governance? From the Universalist point of view, the principle leading to the ruler's appointment and the form of rulership can only be drawn from the nature of that spirituality which makes up the whole, and only this can serve as the ultimate principle of value. One should not count the votes, but weigh them such that the best, rather than the majority, prevails. The quality, the good, is the sole determining principle for the ordering of the organisation and for the formation of the ruler's will. But what is "best" will change according to the prevailing views and value systems. (I hear this objection echoing from all sides). Yet, is this defect so devastating that no absolutely valid system of values can be found in the history of cultures? Life can never be determined other than out of life itself, out of those values that are alive! In a Christian world, for example, only Christians can and should rule. If there were a majority that conspired to serve the devil, it would be absurd that this majority should rule, rather than the highest values of Christianity, for in such a circumstance, the best (in the sense of Christianity) should nevertheless continue to prevail. Where coexistence is not conceived as a mechanical security cooperative, but as a spiritual life, a cultural life, what can and should prevail (logically, according to the nature of the matter) must only be the essentials of the existing spirituality, i.e. the best that conserves the culture in itself. (For further details, see pp.34-35). It is not what a random or permanent majority wants but what is recognised as the best, the true, that should reign.

<sup>171</sup> (Ed.) Fr: Natural order.



The True State

Democracy wants to vote on the truth, however this is not only impracticable (because the truth cannot be voted for, it must rule by virtue of its nature), but also sacrilegious, because setting the majority in the saddle means that the lower rule over the higher.<sup>172</sup> To repeat, democracy therefore means: the mechanisation of the organisation of our lives and the state, and the exclusion of any fundamental values from the construction of this organisation through the mechanism of voting, through majority rule.

There is a follow-up to this first fundamental infirmity of democracy, which we will now discuss thoroughly: the assumption (fiction) that there is a real will that votes, the will of the many individuals, the so-called will of the people. If all voters really had a certain political will, then in the majority there would still be no value (even then, one could not vote on the truth); but at least it might represent a certain reality of political conviction, of moral-political judgments. The reality is very different. People vote who have no opinion, no judgment, no intention concerning the subject. If, for example, in Switzerland there is a plebiscite on whether a bridge should be built somewhere, who has a clear opinion on it? Probably only the few economic and technical experts, a few officials and the interested parties (some of which will have made up their minds instantly). If, after all, many thousands of people express an opinion on the matter, all this means is that the will of the people was shaped as a political will by their leaders, before it could express itself as such; it had to be created first, by the will of those who, according to democratic theory, were to act according to the will of the people! Anyone who has their eyes open cannot fail to see the ouroboros of democratic logic. An element of rule is presupposed, the will of the people, even before it is there; the ruling power of the leaders is derived from that which was prior to them and yet which did not exist without them, from the will of the people. Instead of the people telling the leaders what they must do, the leaders tell the people what they want. A classic example of this can be found in the conditions that prevailed in Athens at the time of Pericles<sup>173</sup> and after his death (as everyone has read in the Reclaim edition of Thucydides' Peloponnesian War). Pericles first accomplished democracy in Athens. He aroused every respect for his mighty personality, fostered art and intellectual life in the grandest way, and undoubtedly mastered the crowd. He had the political will, which he shaped, and he ruled by making himself the leader. In truth, it was not through democracy but through the dictatorship of a great personality that the immortality of Athens was then established. But he was

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<sup>172</sup> See above, p.61.

<sup>173</sup> (**Ed.**) Pericles (495-429 BC): Ancient Greek statesman who nurtured Athenian democracy and successfully grew state power. He ruled as a populist in Athens until the eve of the Peloponnesian War (431-404 BC) with the rival city state of Sparta.



## *A Critique of Liberalism and Democracy*

followed by Cleon<sup>174</sup>, a man who pursued the lower instincts of humanity, that is, formed a political will of quite a different, inferior kind. This sudden change shows that the political will of the mass was in reality not present at all, but each time it was formed in advance by the one whom it subsequently appointed as leader. Just as then, the political will of those who vote today must first be formed by those who are elected: the political will of the socialist workers, for example, was ultimately formed by Marx, and the generation-long editing of his work by Marxist leaders.

From this theoretical, as well as historical, consideration follows the declaration: there has never been a pure democracy; rather, democracy is so opposed to the nature of things that cliques, leader-despotisms, and similar untamed groups and powers must always intervene to prevent the disintegration of the atomised community. This is also the testimony of our day and age. As well as chaotic coincidences, manoeuvres and tricks of all kinds play a part in democratic decision-making, in addition to planned clique formations and electoral procedures, for example, as found in the following report from the *Neuen Freien Presse*, which announced<sup>175</sup> just today<sup>176</sup>:

***Surprising result at the Republican convention.***  
***Nomination of Warren G. Harding as presidential candidate.***  
*(Telegram of the "Neue Freie Presse")*

*London, June 13.*

*Report from Chicago: The Republican National Convention has taken, as reported by United Press, a sensational turn. After General Wood had come out ahead of Senator Johnson in the first four votes but failed to achieve an absolute majority, the fifth vote saw a notable change as Lowden outperformed Wood. Lowden received 303, Wood 299, Johnson 133 votes. The election was continued under great excitement and minutes of demonstrations. With the eighth vote, a great sensation occurred when Ohio's outsider, Senator Harding suddenly shot up to a remarkable 133 votes. Lowden still had 307 votes in this ballot and Wood 295 votes.*

*The rapid change of leading candidates had a confusing effect on the participants in the Convention. It was clear that an outsider suddenly had the best chance. In fact, after nine unsuccessful votes, in the tenth, the absolute majority was finally reached. There were*

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<sup>174</sup> (Ed.) Cleon (475-422 BC): Athenian general and successor to Pericles, widely regarded as a warmonger and demagogue.

<sup>175</sup> The day on which this lecture was delivered.

<sup>176</sup> *Neuen Freien Press (Morgenblatt)*, Vienna, Jun. 14, 1920.

*493 votes required for the nomination of the presidential candidate. In the tenth vote, Senator Harding received 692 votes against 156, which were held by General Wood. There is tremendous excitement in the Convention.*<sup>177</sup>

Should this be called a royal selection or a race report? Even worse! For one detects here the money powers, which are hidden even behind the leader-oligarchy.

If the assumption is that there is an already existing political will of the crowd, for which the leaders are to be appointed as agents, then this assumption is false; on the other hand, leaders are unavoidable, absolutely indispensable for every mass. This is a purely technical point, because the mass cannot act directly as such, but representatives, an ordering force (more precisely, leaders) can. It is the very nature of every organisation (which we touched on above and which we now return to) to consist, in a gradated sense, of leaders and their companions. I say gradated, for one must not imagine that in truth we are only dealing with a leader (or a group) and the crowd (according to the motto "one people, one government"). On the contrary, between the supreme leaders and the masses, there are several layers of subordinates, which mediate mutual influences.

If the political organisation (and thus also the mass within and behind it) is by its very nature composed of and guided by leaders, and the political will of the organised (of the masses) is first formed by the leaders themselves, then it necessarily follows: that the mass is condemned to political impotence. This again is a most instructive confirmation of the Universalist conception; it shows the impracticability of the mechanical formation of wills (by majority), it demonstrates the independent role of a spiritual power, of the will of the leader, instead of the mass which only moves mechanically or passively, and at base almost entirely absent its own will.

If democracy claims that it was called to make the masses politically mature, this is fundamentally wrong. Even in democracy, the mass is politically immature, perhaps more so than even in the absolutist state, but certainly more so than in a state with a hierarchy of authoritative powers. (Only the utopian view of the limitless perfection of human beings through education could

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<sup>177</sup> (Ed.) The Viennese paper *New Free Press* here describes the 1920 Republican Party convention in the United States which was primarily contested by Ohio senator Warren G. Harding (1865-1923), Major General Leonard Wood (1860-1927) and Illinois governor Frank Lowden (1861-1943). After a huge lobbying effort, Harding emerged victorious as a dark horse candidate, seen as a compromise between the more liberal supporters of Wood and the more conservative supporters of Lowden. Harding became the 29<sup>th</sup> president of the United States.

envisage democracy as the best form of government we have to look forward to).

The critique of democracy is as old as democracy itself. Plato describes in his *Republic* (Book IX), a "delightful form of government, anarchic and motley, assigning a kind of equality indiscriminately to equals and unequals alike!" He says that in it one would be tempted "toward utter lawlessness, which is called by his seducers complete freedom" (ibid.)<sup>178</sup> Aristotle says of democracy that it "arose from men's thinking that if they are equal in any respect they are equal absolutely (for they suppose that because they are all alike free they are equal absolutely)."<sup>179</sup> Or: democracy sees freedom and equality in the reality of "doing what one likes" (τὸ ὅτι ἂν βούλεται τις ποιεῖν).<sup>180</sup> "[...] the democratic idea of justice is in fact numerical equality, not equality based on merit".<sup>181</sup> "The most extreme democracy, in which all (equally) share in the government (διὰ τὸ πάντας χοινωνεῖν), is something which not every state can tolerate."<sup>182</sup> The connection between democracy and Bolshevism, on the one hand, and despotism on the other, is clear to Aristotle. "In democracies the most potent cause of revolution is the unprincipled character of popular leaders. Sometimes they bring malicious prosecutions against the owners of possessions one by one, and so cause them to join forces: for common fear makes the bitterest of foes cooperate. At other times they openly egg on the multitude against them".<sup>183</sup> So it was at Rhodes. There they prevented "the refunding to naval commanders of the expenses which they had incurred. These, therefore, weary of the lawsuits brought against them, were obliged to form an association and put down democracy".<sup>184</sup> "The features of extreme democracy are also all characteristic of a tyrant's policy..."<sup>185</sup>

If we pass now to modern commentators (a methodical discussion of the literature is not intended here), we find that the above defects are in part admitted even by strict representatives of the individualist conception. It is thus

<sup>178</sup> (Ed.) Spann's referencing here is inaccurate. The second quote is from Book IX (Plato, *The Republic* 572e), but the first is from Book VIII (ibid., 558c).

<sup>179</sup> Aristotle, *The Politics* 1301a.

<sup>180</sup> Ibid., 1310a.

<sup>181</sup> Ibid., 1317a.

<sup>182</sup> Ibid., 1319b.

<sup>183</sup> Ibid., 1304b.

<sup>184</sup> Ibid.

<sup>185</sup> Ibid., 1313b. See also Euripides, *The Suppliants* 418: "[...] it is impossible for a state to be well managed by the illiterate hoi polloi."

(Ed.) Spann incorrectly attributes this last quote to the play *Hippolytus* by Ancient Athenian tragedian, Euripides (480-406 BC).

with Michels.<sup>186</sup> With an acute illumination of the facts, the above and other defects are presented by Hasbach.<sup>187</sup> Particularly instructive is the history of the social movements in classical antiquity by Pöhlmann<sup>188</sup>, where it is shown to what extent antiquity suffered from democracy and the associated socialist, even Bolshevik upheavals and riots, so much so that one can say in a certain sense that Greece perished in democracy.

Kelsen<sup>189</sup> has recently emerged among the defenders of democracy.<sup>190</sup> His first argument for democracy is thus: it makes possible the selection of leaders on the broadest basis. Leaders are then supplied not from a few privileged sectors of the population (e.g. the nobility), but instead, because the whole mass of the people are drawn into the political life, everyone can compete as a potential political leader. Furthermore, Kelsen says that democracy is the organisational form of the state and political life most capable of tolerating minorities; there exists here "the opportunity for any political opinion to express itself and, in the competitive realm of ideas, to convince people".<sup>191</sup> The minorities receive their own representatives, they can make their arguments anywhere. This creates a healthy condition for political life. The anti-democratic systems, on the other hand, cannot incorporate minorities.

Are these arguments sound? Let us first consider the "selection of leaders on a broad basis". To arrive at a correct judgment here, one must first ask: who emerges from the rummage? Right here lies a fateful weakness of democracy. Those with the greatest prospects of becoming a leader are those who speculate on the lowest instincts of the crowd. It is precisely this mass which is to be led that favours the lowest qualities of leaders, noisemakers and those with very superficial talents, and that further compels the competing leaders to outdo each other in their promises; Cleon follows Pericles, the left-socialists follow the right-socialists. In democracy, the internal mechanism of appointing the leader

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<sup>186</sup> Michels, R. *Political Parties*. (1915). New York: Hearst's International Library Co.

(Ed.) Robert Michels (1876-1936): Italian sociologist, notable for coining the *iron law of oligarchy*.

<sup>187</sup> Hasbach, W. (1912). *Die Moderne Demokratie*. Jena: G. Fischer. Chamberlain gives a brilliant essay treatment in his *Political Ideals* (2005). Lanham, MD: University Press of America.

(Ed.) Wilhelm Hasbach (1849-1920): Minor German economist.

(Ed.) Houston Stewart Chamberlain (1855-1927): German political philosopher. His writings were hugely influential in the *völkische* movement.

<sup>188</sup> Pöhlmann, R. (1912). *Geschichte der Sozialen Frage und des Sozialismus in der Antiken*. Munich: Beck.

<sup>189</sup> (Ed.) Hans Kelsen. See p.iv.

<sup>190</sup> Kelsen H. (1920). *Sozialismus und Staat*. Leipzig: Hirschfeld.

<sup>191</sup> *Ibid.*, p.128.



means that the more radical leader displaces the moderate leader, he who appeals to the lower instincts of the crowd triumphs over the insightful leader with ideas. This is clearly confirmed in the present as well as throughout history. Historically, we see that in an emerging democracy, where a mass of people are elevated, they find great leaders who have moderation and constructive vigour; for example, Pericles, the Gracchi.<sup>192</sup> But then comes Cleon, then comes the crowd, who seek after state monies, crying for circus games and bread ("*panem et circenses*"). The better leaders must inevitably lose the reins. Even today we have experienced enough of these things. Bolshevism in Budapest was made by leaders who were for the most part criminals, even downright sex killers, while the honest, right-wing socialist leaders had to withdraw and be content if they got away with their lives.<sup>193</sup> In Munich, an even clearer spectacle could be seen, as the right-socialists were ousted by the half-Bolsheviks, and these by bloodthirsty, criminal communists.<sup>194</sup> In demonstrating that the lower displaces the higher, the same phenomenon we found above (p.61) appears, lying in the principle of equality; a reverse Machiavellianism, in which the lower dominates the higher. Firstly, Nietzsche and his bootblack have the same voice, the genius is suppressed, subjected. But further: even the lumpenproletariat has the same voice as the honest bootblack. As soon as he elevates the lumpenproletariat to his level, this state of affairs does not endure for long: soon the lower gains the upper hand, and now subjugates him who first raised him.

Kelsen, we see, is completely wrong. Its method of appointing leaders is one of the sorriest aspects of democracy. In a hierarchy, on the other hand, the lower leaders are appointed by higher ones, the experts thus having the last word. Similarly, the absolute prince. As a matter of principle, he only appoints to leadership of the state and army men who are factually and objectively suitable. Perhaps he has no luck with in finding them, but from incompetent people who speculate on the lowest instincts of the big house, he will never suffer, nor will he lose battles through seeing one general displaced by another according to the daily lot, as was the case in Athens. These men are accountable,

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<sup>192</sup> (Ed.) Brothers Tiberius Gracchus (166-133 BC), Gaius Gracchus (154-121 BC): Ancient Roman tribunes who aimed to redistribute privileges to the lower classes.

<sup>193</sup> (Ed.) In 1918, the social democratic forces of the *Hungarian National Council* seized control of the country in the Aster Revolution. In March of the following year they were overthrown in a putsch by communists led by Béla Kun (1886-1938), who then established the *Hungarian Soviet Republic*. It was then brought down by a Romanian intervention in August of that year.

<sup>194</sup> (Ed.) In 1918, socialists established the *People's State of Bavaria* in the chaotic climate of the war's end. After the assassination of its leader, Kurt Eisner (1867-1919), communists declared the *Bavarian Soviet Republic* from their power base in Munich which feuded with both Eisner's former government and the central authorities, finally being suppressed by the German Freikorps a month later.

in the end, to the prince himself. But in the realm of democracy nobody is fundamentally responsible, indeed the masterminds are often backstage and invisible.

Kelsen's second argument, "political relativism", the capacity of democracy to tolerate minorities, which is said to be of particular value because, after all, no one has the absolute truth, is also unfounded. We can say that when it comes to parties that are already very close to each other, for example, right-socialists and independents, people who in the end share the same goals, only differing tactically from each other, then they may tolerate one another. But what about when the parties facing off are like fire and water? For example, Christians and heathens (at the time of their decisive battles) or freethinkers and supporters of the principle of authority (e.g. during the French Revolution); what good is democracy then? Majority and minority do not tolerate each other over very large, politically significant divides even in the democracy par excellence. The parties then confront each other as intractable enemies, and eventually carry out a struggle with arms, as was shown by the struggles in the Greek democracies, as was shown by the struggles in Rome, which in the end made Caesar<sup>195</sup> the natural master of the state. Thus, the "political relativism" of democracy is not borne out in political history; the very opposite of it is proven historically as well as theoretically! Democracy necessarily leads to such atomisation, i.e. to such a division and rupture of the state into parties (which no longer keeps potent clan violence in check), that caesarism is, at the last, the only salvation which the people can hope for. Philip<sup>196</sup>, Alexander<sup>197</sup>, Caesar and his successors, Napoleon<sup>198</sup> and many other names of history prove this. From the state of disunity, from the anarchy of the democratic regime, the absolutist form of government must necessarily come forth.

All these defences and arguments are in fact enveloped by a decisive, final question. Decisive in ruling in favour of democracy is one basic fact: that the state not be conceived as a culture state, as an instrument of spiritual organisation, but as an external, emergency-use-only institution; that, therefore, it is ultimately irrelevant whether this externality is better or worse, whether the masses represent the best or worst forces. If the core of my essence lies entirely within me anyway, if it remains internally isolated and left in solitude

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<sup>195</sup> (Ed.) Julius Caesar (100-44 BC): Ancient Roman statesman and general who overthrew the Republic and established himself as an absolute dictator.

<sup>196</sup> (Ed.) Philip II (382-336 BC): King of Macedon during its conquest of Greece.

<sup>197</sup> (Ed.) Alexander III (356-322 BC): King of Macedon who established the Macedonian Empire, stretching from Greece to northern India.

<sup>198</sup> (Ed.) Napoleon Bonaparte (1769-1821): French statesman and emperor who rose to power in the wake of the French Revolution and waged a successful series of European invasions.

regardless, democracy can be justified: external order, a minimum of state duties, security, these things alone are essential. To whether a tanner, saddler, stonemason or someone else is president of this societal organisation, we can remain indifferent. And then, but only then, is the principle of equality consistent and acceptable! It is precisely under such conditions that the lower powers prevail by virtue of their value, because the less gifted masses will always ultimately constitute a majority; this is the simple mechanical principle which dictates how political "will" is "formed". It is difficult for a democrat today to defend this, the only proper, honest argument. For today's developments have turned the state from a security state into a culture state. The state ought no longer just maintain order, it should provide economic assistance, educational assistance: to perform cultural work, to influence life morally and spiritually. Therefore, democracy no longer dares to proclaim the mere state of order, now calling itself "social"-liberal, and in turn demands the culture state. The democracies of 1848 and 1796 had spoken differently, and they rode their demands to a conclusion.<sup>199</sup> Today, however, one no longer wants the prerequisites (the externality of just living together), and even less the consequences (the mere state of order), yet nevertheless one wishes to remain a democrat!! Again, as always, the defect lies in an inability to return to the principles which a certain casuistic science has been averse to. Whoever is an individualist, who really wants mechanisation and equality, can be a democrat, but whoever desires the culture state, who demands the spiritual from the state, can no longer be a democrat. He can no longer remain indifferent to the question of whether the masses have a voice or not, he can no longer want the same vote for all.

The Universalist, who sees in the state an organisation of spiritual life, must wish for the most fruitful communalisation, the rule of the best, not the equal rule of all, not the rule of the multitude.

What Aristotle says of the world, "The universe is not a multiplicity without meaning and order", must not we say also of society? "The world must not be governed badly."<sup>200</sup>

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<sup>199</sup> (Ed.) 1796 being a year during the French Revolution. 1848 being the year of a wave of similar, though generally less violent political revolutions in mainland Europe.

<sup>200</sup> Aristotle, *The Metaphysics* 1076a.

## § 19. The Economic Crisis of the Present or the Crisis of Capitalism

We have looked at democracy as part of our zeitgeist, which is suffering a crisis. The other big crisis of individualism is the economic, the crisis of capitalism.

Capitalism, from the standpoint of social theory, is individualism (above, pp.81-82) and, as such, above all an embodiment of freedom; it is the implementation of the principle of economically free, uninhibited activity. First and foremost, it is free private property that gives rise to economic freedom (achieved by negating and overcoming the artistic and mercantilist ties of the past), and on this basis it takes its three forms: freedom of trade (with freedom of occupation and freedom of movement); free competition, and the free employment contract. Fundamentally complete (though never achieved in practical terms) economic freedom is thus the supreme characteristic of capitalism.

The situation with regard to economic equality is different. Equality here only means that anyone has the same formal opportunity to do the same thing as anyone else: the same freedom of trade, freedom of contract, etc. But does one have the same means of exercising that economic freedom, the same capital ownership? This is not the case. Therefore, equality in the capitalist economic order does not exist in terms of substantive freedom, but only potential freedom (while political equality under democracy is a fact). Since it is a historical given that unequal economic means are available to each person, and therefore new economic inequality must arise from the conditions of liberty (because struggle and competition are conducted with unequal means), in the course of capitalist development inequality necessarily widens. Let us consider the relationships between the worker and the capitalist, and between the capitalist and the consumer. The capitalist is, as Böhm-Bawerk<sup>201</sup> has correctly diagnosed in terms of theoretical relation, he who has the property of the present (the reward of this position being that he can buy enjoyments immediately); the worker is he who has the property of the future (the manpower with which to produce products which can later be enjoyed). He who only has future goods, the worker, starves if he cannot exchange them for present goods; while whoever has the

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<sup>201</sup> (Ed.) Eugen von Böhm-Bawerk (1851-1914): Austrian economist and a prominent theoretical critic of Marxism.



present goods, the capitalist, cannot starve to death, and so he is the stronger party when the employment contract is concluded (unless other capitalists compete for the worker's labour). A similar relationship exists between the capitalist and the consumer. The superior big capitalist often has a monopoly position in production, trade, sale, credit, and the consumer (customer) must bow to this relative superiority. (This becomes most evident in cartels which, however, as cooperative formations, contradict the principle of free competition, and therefore of individualism, of pure capitalism).

If inequality is thus an essential component of the capitalist economic order, then it is not an analogue, a counterpart to democracy, or even to natural law, where freedom is paired with (civic) equality; but it instead corresponds to Machiavellianism. Natural law is the interposition of a compact in a free struggle, treating everyone as if they were on the same footing; but Machiavellianism is a free struggle between the strong and the weak; victory of the strong over the weak. Capitalism is economic Machiavellianism.

I would like to consider this as one of the most important results of our whole investigation. I see a fatal ambiguity in the fact that capitalism par excellence is simply regarded as "individualism" (in the natural-law sense), indeed natural law is explicitly lumped together with economic liberalism! The essence of capitalism is probably individualistic, but not in the natural-law sense, which rejects the contest of *bellum omnium contra omnes* and abolishes through the social contract any right to victory held by the strongest. Capitalism replaces natural law with Machiavellian individualism, which does deliver victory into the hands of the strongest. This is crucial, is indispensable if you want to know and understand what "capitalism" means. Marx, for example, knows as little of this as the theoretical founders of capitalist economic freedom; Quesnay, Smith and Ricardo.

Such is the social theory of capitalism. Anyone who understands this also understands why capitalism, from the day of its birth, was immediately met with adversaries and combatants; he must also understand why capitalism ultimately leads to the demand of socialism. Capitalism, as the unrestrained exploitation of the economically weaker by the economically stronger who outperform them, is in fact (despite the greatest economic advantages), a barbarous way of life, the same brutal, bloodthirsty individualism that emerged in the Renaissance with poison and dagger. It is therefore no wonder that it was born with death at its heart. No sooner had the economic revolution been called into play in the French Revolution, did conspirators work to eliminate it through communism -

## *The Economic Crisis of the Present or the Crisis of Capitalism*

Babeuf<sup>202</sup> and Darthé<sup>203</sup>, the heads of the “conspiracy of the equals”, who plunged daggers into themselves when the judge announced their death sentence. Parallels to this can be found at the time of early capitalism as well as ancient capitalism. Here is shown clearly the inner imperative that pushes capitalism towards the demands of socialism. For the negation of Machiavellian capitalism, which constitutes an attempt to bring natural law into the economy, is already socialism.<sup>204</sup> In this sense, the oft-made statement is correct, that liberalism and socialism are fruits of the same tree.

This sociological view of capitalism is supported by the economic view, which is not solely characterised by the privileged position of the capital owner, but also the creative, organising-expanding activities of the entrepreneur, the tremendous development of economic power outward through competition and the flexibility of all relationships (see above, pp.81-82, and below, pp.136-137, 166-167 and § 32).

Such is the nature of capitalism. What constitutes its failure, its crisis? This question is far from easy and clear to answer, as the socialists think due to Marx's claim to have correctly characterised the nature of capitalism as surplus-value theft, as the exploitation of the worker. (We will investigate this Marxist doctrine below). This purely negative description can by no means characterise capitalism; for it fails to acknowledge the constructive aspect, that capitalism achieves the greatest degree of economic progress and growth in economic power, something confirmed by even the most superficial view of the economic history of the 19<sup>th</sup> century which witnessed an unimaginable development of all productive forces, the immense increase in population both in the old world and the new, the rise in income, wages (even when regarded as real wages), all of this shows that under capitalism, wealth and prosperity generally increase.<sup>205</sup> Capitalism's weakness lies not in the economic achievements themselves, which on the contrary are its strength (of which, more later, see below pp.136-137 and § 22); nor even in the distribution, in the ensuing accumulation of misery, for this is, as the late developments prior to the war showed, surmountable, and it lies only partially in the rapid increase of the production base at the expense of the consumption base (see below, pp.137-138). Its real

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<sup>202</sup> (Ed.) François-Noël Babeuf (1760-1797): French agitator during the revolutionary period, he was an advocate for the abolition of all private property. He led a doomed effort known as the *Conspiracy of the Equals* to overthrow the French Directory and replace it with a proto-socialist society.

<sup>203</sup> (Ed.) Augustin Alexandre Darthé (1769-1797): A prominent accomplice of Babeuf.

<sup>204</sup> For more details, see below, p.155.

<sup>205</sup> Consider, for example, Ashley, W. (1904). *The Progress of the German Working Classes in the Last Quarter of the Century*. London: Longman, Green & Co.

(Ed.) William Ashley (1860-1927): English economic historian.

weaknesses are in the spiritual field; as with all individualisms. The guild journeyman had a station, one that was due to him; hence a spiritual attitude, a corporative spirit, and a distinct concept of honour; the industrial worker is outclassed in comparison, stationless, uprooted, atomised, groundless. He is also an "eternal worker", while the guild journeyman could usually become a master. With this atomisation, the degradation of the worker is directly related: the uncertainty of existence, new machinery, new working methods, economic crises, illness, inability to meet targets, new customs and trade agreements, all threw the worker to the pavement and delivered him (especially before the onset of compulsory insurance, social policy, trade unions) to annihilation; and even after the restrictions imposed by social policy and trade unions, such fateful events still have a degrading effect on the worker. This is the dark underside of the words "free competition" and "free trade". While the guild journeyman was taken care of, because the economy was regulated corporatively, the worker can never be similarly cared for as long as the economy is truly free, for he is stationless. Humankind can come to terms with poverty; it has always been and will always remain poor. But those affected by loss of station, by existential insecurity, uprootedness, can never accept it. Yes, even the victorious class, which has the advantage of everything, the entrepreneurs and capitalists, suffer from a similar lack of stability, spiritual heterogeneity, a sense of being spiritually unfounded and inconsistent; hence the absence of the corporative spirit and a doctrine of professional honour, lost among the mere externalities of acquisition and performance. Even these lucky few are not spared existential insecurity (turmoil, economic cycles, speculation, market-changing inventions, global economic changes that destroy the individual).

This deficiency in the spiritual-moral realm, the disengagement of all from all, the atomisation and externalisation of life, have thus created what is the true crisis of capitalism, the crisis at its root. This manifests itself in the following general, basic fact of economic development: capitalism is as spiritually against the nature of the economy as political individualism is against the nature of the state and society.

The consequence of this fundamental characteristic of the capitalist order is that capitalism has never been fully realised in practical terms, despite the perfect victory of the individualist conception in our time! It could never fully and completely enforce its basic requirements; real, total freedom of competition, real, total freedom of trade, total freedom of the employment contract, total customs and trade freedom have not been and will never be realised, even in the most liberal countries and over the longest periods. Concessions, monopolies, privileged positions (later even trusts, cartels, rings and agreements of all kinds) are always present, as well as cooperative formations with and without state participation, customs, freight and administrative protections (e.g. differential rates in shipping and taxation); and we can continue: trade unions with their policies, approaches and disputes;



## *The Economic Crisis of the Present or the Crisis of Capitalism*

countless legal restrictions and regulations on working time, types of work, remuneration, child, women's and youth labour, unfair competition, apprenticeship, commercial education and on and on, all of which have the character of either mitigation or aid provision, of organising measures against and apart from economic freedom. Historically, capitalism has only gradually taken the place of the corporative urban economy, the mercantilist monopolies and privileges, and the rural, (relatively) closed home economy. However, this means: during its emergence, a large part of the economy was always bound by the estates. The more capitalism actually took the place of those organised forms of economy, the more it produced, automatically and unconsciously but with unavoidable necessity, the replacement organisations for corporative purposes. All the above-mentioned measures and restrictions represent, as already explained, not only restrictions of economic freedom in the negative sense, but substitute organisation, a wild, unplanned, inadequate, but all the more meaningful attempt at new kinds of understanding of society, to take the place of the abandoned medieval ones! Thus, while capitalism proves to be wholly against the nature of the economy and society; it must, with automatic necessity, incorporate bonds into the atomised economy against the will and spirit of the times.

The inner crises of capitalism are thus mitigated to the extent that this substitution of the formerly organised economy occurs. To the extent that capitalism produces atomisation, hot on the heels of the crisis will be countermeasures. It is not intended to treat these crisis countermeasures here beyond the basics. Everything that falls under this umbrella is an organic opposition to capitalism and is thus Universalist. Therefore, all those negations of capitalism are already known to us as Universalist countermeasures against individualism.

First of all, social policy, which we have already defined above (see p.90), is not only aid to the beleaguered groups of society, but much more, namely, the organisation of the employment contract, the organisation of the economic process. Nothing is more significant than the development of social policy. In the beginning it consisted of certain regulatory provisions included in legislation (e.g. the working day, Sunday rest). More and more, however, it oversaw the emergence of self-governing bodies that imposed and set standards for the persons involved in a certain activity (e.g. insurance laws, chambers of labour); with ever-increasing knowledge, it worked on the creation of new state bodies to replace the old.

There are also the already mentioned trade unions, which, in a direct way, form a bond, an organisation of the labour force, i.e. an organisation of elements of the economic process, where capitalism would prefer to have atomically scattered elements.



## *The True State*

The most notable and powerful groups with the stamp of independent self-organisation are free enterprise associations such as cartels, trusts, rings and similar arrangements, which over time have acquired an ever greater profile where tariff protections and similar monopolistic conditions facilitating an inner bond, corporatist distinctions and special groupings have proliferated. In general, the tariffs themselves have a significance in that they bind and indirectly regulate the economy, against free trade.

Another important factor is the cooperative movement, which in production, credit, sales and consumer associations represents, so to speak, a local (partial) organisation in the economic body. (However, this is "self-help", as liberalism expressly and not unfairly emphasises in order to point out the individualistic aspect of the cooperative, being that they are not socially planned/designed and can be freely dissolved into more or less independent sub-organisations).

Finally, the greatest and most pressing crisis of capitalism must be addressed, one which is as much a spiritual as a purely economic consideration: socialism. Although born at the same time as capitalism, socialism acquired greater importance only in the form of Marxism. Embodied in the form of the social democratic movement, this represents the truly threatening, acute crisis of capitalism. This movement wishes to replace capitalism with a collective economic order, to undo all the harm caused by the free economy, but to preserve its benefits, indeed, to multiply them. Is that it? Is there not some self-deception involved here? It is our task to take a closer look at this doctrine, which today has added menace to the political-economic crisis of capitalism. This very much depends on us becoming familiar with this crucial doctrine and understanding its own crisis alongside the crisis of capitalism itself. For, as grotesque as it sounds, this is one of the characteristics of our present zeitgeist, that this doctrine, which aims to unsaddle capitalism, carries its own crisis within itself. It will also be shown again that everywhere we find a crisis of individualism, rivening the political life of ideas which have enveloped our entire spiritual life.

## § 20. Marxism

Marxism's presentation of economics, philosophy of history and political science.

### A. The Economic Theory of Marxism

What made Marx's doctrine a scientific construction was chiefly his economic theory in which, building on Ricardo and Smith, he erected a strictly conceptual mental construct of great ingenuity, great abstractness, and tight cohesiveness; it has a strictly scientific appearance and leaves an impression of the logical rather than the partisan-political. We cannot below provide a systematic treatise on the teaching, but only account for the most important points.

1. Good, wealth, value. At the forefront of Marxist doctrine are the concepts of wealth and goods. A good ("commodity") is to him only that "external thing", i.e. the material or tangible good. "Wealth" then is to him a sum of material goods: Marx begins his main work, *Das Kapital*, with the words: "The wealth of those societies in which the capitalist mode of production prevails appears as an 'immense accumulation of commodities'; the individual commodity appears as its elementary form".<sup>206</sup>

The exchange value of commodities, according to Marx, is based on the work which they embody. Value is frozen work, and in this Marx follows his individualistic predecessors, Ricardo, Smith and others. Marx asks: how is the exchange relationship between two commodities, e.g. 20 cubits of canvas = 1 dress, at all possible since both goods have very different use potentials (utile values)? He answers (based on a misunderstanding of Aristotle): it can only be explained as an equation (equivalence) of value substance, as an equation of "commensurable quantity". The equation comes about only if the same value-forming substance is in both commodities, namely labour. Since the use-value of the goods is wholly dissimilar, it must be disregarded, with goods remaining comparable only in terms of their being the "product of labour". "As use-values," says Marx, "commodities differ above all in quality, while as exchange-values they can only differ in quantity, and therefore do not contain an atom of use-value."<sup>207</sup> Marx goes beyond the teachings of his predecessors

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<sup>206</sup> Marx, K. (1991). *Capital*. London: Penguin, Vol. I, p.125.

<sup>207</sup> Ibid., p.128.

to the extent that he does not allow simply the amount of labour to determine value, but rather the "socially necessary labour time" required for the production of each good in accordance with prior practice, etc.

2. The theory of generation and production. The surplus value. Exchange is based on the equality of values, the values of frozen work, but what frozen work, and whose? The answer to this question is decisive for Marx's doctrine of generation or production. Since only with tangible goods (material "commodities") is work concretised into value, only material forms can be said to contain the value of burdensome labour, that is, only live labour is productive (not capital, which is pretend labour) and, in particular, only manual labour is productive, for only manual labour produces goods. Marx himself did not draw these conclusions with complete acuteness, but in fact always operated on the assumption of this doctrine. The result of this is that "circulation", i.e. the circulation of goods, trade, is expressly declared by Marx to be unproductive because it no longer involves work itself. The circulation of goods takes place only by the formula:

$$\begin{array}{c} \text{Commodity} - \text{Money} - \text{Commodity} \\ C - M - C \end{array}$$

which, since C remains the same, necessarily means that the substance and size of the value does not change. It naturally follows that the circulation equation is replicated in all exchange equations (e.g. the canvas and the dress). Therefore, in the course of the equations, the value cannot increase at all, unless a finishing effect intervenes upon the goods, unless new quantities of work are added.

The process of capitalist production is likewise characterised by an exchange, namely, the commodity of labour being purchased by the capitalist according to its intrinsic value, the labour-value, and then the product of this labour power being sold by the capitalist according to its labour-value. Here there arises a fatal difference between the two values, which brands the entire capitalist production process as a system of worker ("exploitation"), and this constitutes the harshest indictment of the whole capitalist order. The commodity of labour-power has in itself as a value-determining substance (just as any other commodity) only its production costs (the costs of reproduction)<sup>208</sup>; the products also have their production costs as a value-determining substance, i.e. the total sum of working hours used as socially necessary average labour to create them. Thus, "The value of labour-power can be resolved into the value of a definite quantity of the means of subsistence."<sup>209</sup>, which enables the worker to live. If these means of subsistence, for example, enable six hours of socially

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<sup>208</sup> (Ed.) Literally the costs of living that one may reproduce.

<sup>209</sup> Ibid., p.276.

necessary labour time (i.e. the daily value of the goods produced is six hours of labour), but this time produces products that can be sold for twelve hours, i.e. the cost of twelve hours spent adding value to raw materials and products, this creates an excess; a surplus value ("*surplus*-production"). The production process is therefore to be divided into two sections: necessary work and overtime, one feeds the worker, the other provides the capitalist with profit, one is paid labour, the other unpaid labour, exploitation. It is this surplus value that then appears in the special forms of profit, interest and rent. Profit, interest and rent are unpaid labour in their "materiality".

This doctrine encompasses the following assertions: that only vital and material labour creates value, is productive; that a specific entrepreneurial function does not exist; that entrepreneurial profit is therefore "surplus value", "exploitation"; that a specific capital function (which would be attributable to a capital interest) does not exist; capital is therefore only a means of exploitation, "capital is surplus value generated from value".

This doctrine also contains a very definite theory of wages, namely the so-called "iron law of wages" set down by Ricardo (the name comes from Lassalle for the doctrine of Ricardo and Quesnay), according to which the value (price) of the commodity of labour is equal to the subsistence wage. This will come up again later (see below, pp.142-143).

As no value is generated in the circulation of goods, no value is added. The "mercantile labour" employed by the merchant cannot possibly add value to it.<sup>210</sup> The profit (surplus value) of the merchant is formed by the total surplus value "in proportion to the capital he advanced, in the mass of profit produced by the industrial capitalist class."<sup>211</sup>

3. The law of increasing capital concentration. Impoverishment. Crises. The previous theories put forward by Marx were derived from the law of value. The next set of theories, however, are independent of the theory of value and concern only the functional connection between economic processes. Marx's basic idea here is the superiority and gradual triumph of the large enterprise over the small enterprise, in the way that Heine described it in verse: "He who has already much - Finds his wealth increasing faster - Who but little, is of all - Soon bereft by some disaster."<sup>212</sup>

The formula "value generated from value" thus has a double meaning: first, exploitation, second, capital accumulation.

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<sup>210</sup> Ibid., Vol. III, pp.401-403.

<sup>211</sup> Ibid., p.403.

<sup>212</sup> (Ed.) Heinrich Heine (1797-1856): German poet and socialist radical, a personal friend of Karl Marx. This extract is from *The Way of the World* and can be found in *The Poems of Heine* (1887). London: George Bell & Sons, p.453.



The surplus value, which the capitalist pockets, he uses for the future creation of the surplus value in grander style, to expand his business. In this way, the capitalist production process, as Marx puts it, leads to "production on an extended ladder" and to the "accumulation of capital". This means the annihilation of small enterprises and the triumph of large enterprises. However, to this process of accumulation and concentration, an internal restructuring of the enterprises is connected. In large-scale operations which use machines and large facilities, growth coincides with the "variable capital" (payroll) becoming relatively smaller, and the "constant capital" (fixed capital) becoming relatively larger. Because of this, in the course of capital concentration, workers displaced by machines are continually thrown out on the curb; these form the wage-depressing "industrial reserve army". The whole process, which takes place under continuous shocks (crises), finally entails: on the one hand, concentration of capital and enterprises in the hands of the few, and on the other hand, the proletarianisation and impoverishment of the great masses ("the theory of immiseration"). After all, the large propertyless masses will confront but a few capital magnates. Then the masses will transform the already collectivised operation of the means of production into a collective, social possession. "The centralisation of the means of production and the socialisation of labour reach a point at which they become incompatible with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated."<sup>213</sup> The proletarians themselves take over the already nationalised means of production as their property. This keystone crowns the dazzling conceptual construct of Marx's economic theory. Like the final collectivisation of production, detailed thoughts on distribution in the future state were purposely not elaborated by Marx in order not to repeat the mistake of the utopian socialists, and to remain in the realm of scientific socialism, which deals with the presentation of the laws of development.

## B. The Materialistic Conception of History

While Marx's economic doctrine is contained in a strictly scientific work, *Das Kapital*, his philosophy of history has never been presented in a complete or even summary form that can be described as truly scientific. This has led to many uncertainties and arbitrary interpretations, especially in the Neo-Marxist school. In the following discussion, we wish to stick only to the general idea and hopefully avoid the difficulties that come with this territory. I would like to consider the following basic ideas: environmental doctrine, the doctrine of the paramount, primary place of the economy in the social environment, the dialectical method, and the doctrine of the class struggle.

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<sup>213</sup> Marx, K. *Capital*, Vol. I, p.929.

1. Environmental doctrine and the environment. Marx's philosophy of history is based entirely on the idea that man is absolutely dependent on his environment, that he is an unambiguous function of his environment. "It is not the consciousness of men that determines their existence, but, on the contrary, their social existence determines their consciousness" says Marx in the foreword of his 1859 published paper, *Contribution to the Critique of Political Economy*.<sup>214</sup> What is this social environment? Contained within it are:

a) the primary reality, the economy. This is the core of society, the "substructure" for its spiritual contents as they are: law, religion, philosophy, science, art. All these spiritual aggregates are only the reflexes of the economic, the "superstructure", the "ideology", which derives from the economic.

Friedrich Engels, the faithful Marxist Eckhart, has formulated this idea thusly: "that the production [...] and, next to production, the exchange of things produced, is the basis of all social structure [...] the manner in which wealth is distributed and society divided into classes or orders is dependent upon what is produced, how it is produced, and how the products are exchanged. From this point of view, the final causes of all social changes and political revolutions are to be sought, not in men's brains, not in men's better insights into eternal truth and justice, but in changes in the modes of production and exchange. They are to be sought, not in the *philosophy*, but in the *economics* of each particular epoch."<sup>215</sup> If, in this way, the economy is an essential element of society, society must be

b) thought of again as a mechanism whose movement and development are uniquely determined by unalterable laws of nature. We have already learned about the crucial laws of movement and development which are at work here: the law of the concentration of capital, which means the destruction of small businesses, the impoverishment of the masses, the emergence of the industrial reserve army, and finally the socialisation of total production. The present society must naturally evolve into a socialist society through this law of the economy.

Marx himself formulates the basic idea of his philosophy of history, which, as he says, served as a "leitmotif" for his studies, and which we sum up by saying: "In the social production which men carry on they enter into definite relations that are indispensable and independent of their will; these relations of

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<sup>214</sup> (Ed.) Marx, K. (1904). *A Contribution to the Critique of Political Economy*. Chicago, IL: Charles H. Kerr & Company, pp.11-12.

<sup>215</sup> (Ed.) Engels, F. (1999). *Socialism: Utopian and Scientific*. Sydney: Resistance Books, p.79.

production correspond to a definite stage of development of their material powers of production. The sum total of these relations of production constitutes the economic structure of society - the real foundation, on which rise legal and political superstructures and to which correspond definite forms of social consciousness. The mode of production in material life determines the general character of the social, political and spiritual processes of life. [...] At a certain stage of their development, the material forces of production in society come in conflict with the existing relations of production [...]. Then comes the period of social revolution. With the change of the economic foundation the entire immense superstructure is more or less rapidly transformed.”<sup>216</sup>

2. Class struggle. Dialectical method. The economic constitution of every historically given social order is determined by class conflict. Marx and Engels assume that in the primitive primeval era, communist states (communism in the means of production as well as in the commodities produced) prevailed. Since the dissolution of this primitive communism, class antagonisms have dominated the economic constitution and thus the entire social order, e.g. the opposition of feudal landlords and dependent serfs, of capitalists and workers. The class struggle is the driving force behind history. In truth, the entire political, legal, scientific, artistic and religious “ideology” of society is built upon these economic class conflicts. The entire history of humanity is basically the history of economic class struggles. The spiritual is again the dependent, the economic the primary. “For Hegel,” says Marx, “the process of thinking [of world reason] [...], is the creator of the real [...] With me the reverse is true: the ideal is nothing but the material”.<sup>217</sup> Marx’s method is the “dialectical” as in Hegel, but Marx grasps the (dialectical) movement of history as material, Hegel as metaphysical, ideal, logical. The essence of Hegel’s dialectical method is to grasp reality and its movement in terms of opposites, so that an initial state appears as thesis, the following as antithesis, the following as synthesis, as a fusion of the two previous opposites. The antithesis can also be understood as the negation of the thesis, the synthesis as the negation of the antithesis, i.e. as a “negation of the negation”. The synthesis then splits again into thesis, which is followed by antithesis, after which there follows another synthesis, and so on.

The following construction is formulated by Marx. In the total course of world-historical development he summarises the original state of communism as thesis (or “position”), the splitting into classes as antithesis (or “negation”), the future communism overcoming all class conflicts as synthesis (or “negation of negation”); a higher, synthetic communism, which will include only the common ownership of the means of production, not goods for consumption (as

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<sup>216</sup> Marx, K. *A Contribution to the Critique of Political Economy*, pp.11-12.

<sup>217</sup> (Ed.) Marx, K. *Capital*, Vol. I, p.102.

in primitive times). This special economic and historical moment, in which the capitalist order appears and is overcome through socialism, was declared by Marx in the following fashion: "The capitalist mode of appropriation, which springs from the capitalist mode of production, produces capitalist private property. This is the first negation of individual private property, as founded on the labour of the proprietor [i.e. capitalist = negation of the small craftsman]. But capitalist production begets, with the inexorability of a natural process, its own negation. This is the negation of the negation. It does not re-establish private property, but it does indeed establish individual property on the basis of the achievement of the capitalist era: namely co-operation and the possession in common of the land and the means of production produced by labour itself."<sup>218</sup> that is to say: there will be community-owned property in the means of production and collective, socialised, organic production itself, but private ownership of commodities for consumption.

### C. The Political Theory

If a systematic exposition of the theory of historical materialism was never forthcoming from Marx, then the political theory with which Marx worked has been devised even more tenuously. It is found, for the most part, only in occasional writings, or even undertakings of a more agitational nature than we can rely on here.<sup>219</sup> Nevertheless, political theory is indispensable for an overall explanation of society and its development, and must therefore be treated here.

1. The essence of the state. According to Marx, the essence of the state lies in the fact that it is a compulsory order to enable the exploitation of the lower classes by the upper, a class state. "The executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie"<sup>220</sup>, says Marx in the Communist Manifesto.

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<sup>218</sup> Ibid., p.929.

<sup>219</sup> Kelsen has done the work of collecting all the scattered pages and documents in his *Sozialismus und Staat: Eine Untersuchung der politischen Theorie des Marxismus*. (1920). Leipzig: Hirschfeld. The book contains a critique of Marxism which, while proceeding from the democratic, individualistic point of view, is none the less devastating, in which the contradiction between political anarchism and the economic collectivism of Marx is exposed. See also Lenz, F. (1921). *Staat und Marxismus: Grundlegung und Kritik der marxistischen Gesellschaftslehre*. Stuttgart: J. G. Cotta, p.46.

(Ed.) Friedrich Lenz (1885-1968): Minor German economist.

<sup>220</sup> Marx, K., Engels, F. (1955). *The Communist Manifesto*. New York: Appleton Century Crofts, pp.11-12.



Immediately following the social revolution, according to the Communist Manifesto, there will also be a class state, namely the “dictatorship of the proletariat”. The “first step in the revolution by the working class,” the Communist Manifesto goes on to say, will be “to raise the proletariat to the position of ruling class”. The new “state” (as the Manifesto expressly calls it) will be the “proletariat organised as the ruling class.”<sup>221</sup> For the dictatorship of the proletariat, Marx took the Paris Commune of 1871 as the model.<sup>222</sup> The essential and characteristic aspects of the commune, Marx declares<sup>223</sup>, are as follows: 1. that the elected councillors were accountable and at any time disposable; 2. that assemblymen should be bound by the instructions of their constituents [how would you do this?]; 3. that all civil servants and judges be called by election, accountable and at any time disposable; and finally: that the entire “public service had to be done at *workmen’s wages*”. Herein can be seen the principles of the workers’ councils of today, the council system which Lenin<sup>224</sup>, the intrepid disciple of Marx, set up; furthermore, one can clearly see here the consequences of the Marxist doctrine which sees only manual labour as productive: the misery of the intellectual workforce.

2. The nature of the future communist polity. What describes the polity that follows the dictatorship of the proletariat? The Communist Manifesto says about this: “In place of the old bourgeois society [meaning the “state”] with its classes and class antagonisms, we shall have an association, in which the free development of each is the condition for the free development of all.”<sup>225</sup> If then, “all production has been concentrated in the hands of a vast association of the whole nation”<sup>226</sup>, public power loses its political character. With class conflicts abolished, the public power’s purpose is no longer the suppression of a class, therefore it loses its political aspect, hence no state!

The meaning of all these considerations in the manifesto and elsewhere is the so-called doctrine of the withering away of the state: if there is no class antagonism, there can be no more state. Here are some instances. Engels writes

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<sup>221</sup> (Ed.) Ibid., p.31.

<sup>222</sup> (Ed.) The Paris Commune was a revolutionary socialist government that seized the French capital briefly in 1871 before being put down by the army.

<sup>223</sup> (Ed.) The assertions here are taken from Marx’s 1871 work, *The Civil War in France* and can be found in *Marx & Engels: Collected Works* (2010). London: Lawrence & Wishart, Vol. 22, pp.331-332.

<sup>224</sup> (Ed.) Vladimir Lenin (1870-1924): Russian Bolshevik revolutionary leader who established the Soviet Union after overthrowing the Russian Provisional Government in 1917.

<sup>225</sup> (Ed.) Ibid., p.32.

<sup>226</sup> (Ed.) Ibid.

in a letter to Bebel in 1875<sup>227</sup>: “that, with the introduction of the socialist order of society, the state will dissolve of itself and disappear...”, and in a paper of 1872/73: “the state, and with it political authority, will disappear as a result of the coming social revolution, that is, public functions will lose their political character and become mere administrative functions”.<sup>228</sup> Finally, in the foreword to *The Civil War in France*: the future society will “reorganise production on the basis of a free and equal association of the producers, will put the whole machinery of the state where it will then belong: into the museum of antiquities”.<sup>229</sup> Marx himself wrote in a letter to Bracke in 1875 regarding the communist society of the future that “social functions will remain in existence there that are analogous to present state functions,”<sup>230</sup> that is, those that lack coercion, namely, social functions carried out via free, voluntary association.

The “classless society”, the “free association of individuals”, the “absence of the rule of men over men”; this is what characterises the nature of the future communist social order, what is meant when Engels speaks of the “leap from the realm of necessity into the realm of freedom”.

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<sup>227</sup> Ibid., Vol. 24, p.71.

(Ed.) Ferdinand August Bebel (1840-1913): German socialist politician and one of the founders of the Social Democratic Workers’ Party of Germany (SDAP).

<sup>228</sup> (Ed.) Ibid., Vol. 23, p.425. The quote is from Engels’ 1872 work, *On Authority*.

<sup>229</sup> (Ed.) Ibid., Vol. 26, p.272. The quote is originally from Engels’ 1884 work, *The Origin of the Family, Private Property and State*.

<sup>230</sup> (Ed.) Ibid., Vol. 24, p.95. The quote actually comes from Marx’s 1875 work, *Critique of the Gotha Programme*, and is in fact posed as a question rather than a statement. It does not appear in any of Marx’s letters to Hermann August Franz Wilhelm Gotthard Bracke (1842-1880), a German publicist who played a prominent role in the founding of the SDAP, however the document was originally an address to the SDAP itself.

## § 21. A Critique of Marxism

“To see only the bad side in everything and to overlook all the positive and valuable qualities is a sign of extreme superficiality.” - Hegel<sup>231</sup>

German academic economics had, until the coup of Marxism, taken up an entirely false, unfortunate, inglorious position. The Historical School of economics, which dominated most of the university chairs in Germany, was theoretically incapable of confronting Marxism, armed only with the strictest scientific terminology and subtle logic. It was thus content with quite general, more instinctive and political objections. The Austrian School<sup>232</sup>, however, did a little work in this regard, and remained somewhat distinguished in that narrower area of rigorous scholarship in which only the theoretically trained professional (and who in Germany in the last thirty years could be described as such?) could follow. Within this category were the objections brought forward by Carl Menger<sup>233</sup>, Friedrich V. Wieser<sup>234</sup> and Von Böhm-Bawerk which were very significant and struck the foundations of the Marxist construct, the theory of value and surplus value, with almost crushing force, but unfortunately, for the reasons cited, this victory of specialised scholarship could not be of much import to the political consciousness of the German people; all the less so since the theory of wealth concentration, historical materialism, and the political theory remained mostly unchallenged at this stage.

In addition to the two practical approaches (the historical and theoretical) there remained the sociopolitical approach of our science, which sprang from the Historical School but has included representatives of almost all the other schools of economics. But it is the sociopolitical theorists who, for lack of a solid theoretical basis, have often had the records of very moderate, so to speak, realistically reformed Marxists, as was the case of the earlier Sombart, until his

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<sup>231</sup> (Ed.) Hegel, G. (1980). *Lectures on the Philosophy of World History*. London: Cambridge University Press, p.66.

<sup>232</sup> (Ed.) Heterodox school of economic thought focusing on the actions and motivations of individuals as central to the economy.

<sup>233</sup> (Ed.) Carl Menger (1840-1921): Austrian economist notable for his assertion that subjective satisfaction informs the value of a good.

<sup>234</sup> (Ed.) Friedrich von Wieser (185-1926): Austrian economist and student of Menger. He gave Menger's theory of value its common name, *marginal utility*.

last books, and Brentano, who does not deign to declare that capital is “surplus value generating value”<sup>235</sup> and thus throw himself under the wheels of Marxism; or, if not going to such extents, the theorists have seen in the Marxists primarily political allies. As a young student, I myself greedily devoured all the textbooks, (Philippovich, Schäffle<sup>236</sup>, Adolph Wagner<sup>237</sup>, etc.) and came to the conclusion that they, as sociopolitical theorists, were only very moderate crypto-Marxists. As such, our economic writers repeatedly rejected almost every single theory of Marx (value theory, the immiseration thesis, etc.), but recognised the whole structure as a “scientific” system, and even considered Marx a pioneer and praised him as a genius. I personally approached Marxism with a similar attitude. The more I have dealt with Marx, the more I find that he was working with a not entirely original yet ingenious, political and only political, that is, non-scientific, mental construct; but that, scientifically speaking and to tell the naked truth, it was and is an unprofessional, dilettantish mental construct. Not valid in its premises, dazzlingly logical in its forethought but turning up nothing in its final predictions, falcon-eyed in the face of desolation, blind in the face of reality; this is the stamp of Marxism judged scientifically. The following argument will have to justify this harsh verdict.

## 1. The Economic Theory

No economist today, no matter which approach or school he belongs to, can deny that Marx’s economic theory, in all its doctrinal pieces, indeed, in most of its points, is completely backward and untenable. Let us consider the first basic concepts (communicated above, p.123): wealth, value, exchange, price. Wealth for Marx is a sum of material goods, the economy a full repository of them; a sum! A completely mechanical and quantitative conception, just as with Smith and Ricardo, who as individualists should be Marx’s antipodes. The organic composition of the components of wealth, the spirit behind production and the economy as a whole, the attribute of intrinsic value in the objectives, the productive forces, all of this remains unconsidered. How different, how infinitely deeper was the determination of wealth’s essence reached, long before Marx, by Adam Müller, Friedrich List, Carey<sup>238</sup>, and the German utility theorists. The greater wealth, says Adam Müller, is not where more goods are

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<sup>235</sup> See, for example, *Die Anfänge des Modernen Kapitalismus* (1916). Munich: K.B. Akademie der Wissenschaften, § 13.

<sup>236</sup> (Ed.) Albert Schäffle (1831-1903): Minor German sociologist.

<sup>237</sup> (Ed.) Adolph Wagner (1835-1917): German economist and politician, notable for his law of increasing public spending.

<sup>238</sup> (Ed.) Henry Charles Carey (1793-1879): American economist and political advisor, an advocate for tariff protections.



found, but where the greater powers are present to maintain them, and where the most significant sentiments are present to appreciate them.

Marx is also mechanistic in his measure of material value. Value is frozen work, is a substance, something quantitative, which can be measured by the hour. The same applies in exchange. For Marx, it is essentially an equation of quantities of work; and price is only a construct of value, which results from the comparison that weighs goods with respect only to that which is "commensurable" (comparable), held in common: the hours of work contained therein. Today there can remain no doubt that this whole line of thinking, which is nothing but pure Ricardo, put research on the wrong track. Value is not frozen work; it is not materially objective at all but is subjectively determined (or at least partially so); it is not something mechanical, but is based on a utility, a want, that is, a spiritual concern, essentially a purpose (a goal). The economy is based on utility, not labour. It is therefore not mechanically composed of component working hours but consists of the living context of a validity of relations between means, derived from the overall context of the goals.<sup>239</sup> The exchange between two market parties is not an equation but an inequation. If the shepherd gives a lamb to the farmer in exchange for potatoes, the exchange occurs because both give an inequivalence, for with a total equivalence the exchange would have no meaning; if the worker sells labour and the entrepreneur buys it (as an element of the production process) with money, again the exchange occurs because both give unequally. In the division of labour as well as in the natural economy, only unequal things can be exchanged, because the merits of each good are different in their respective bodies than in foreign economic bodies. However, the main problem confronting Marx's doctrine of price is as follows: already with Ricardo it was proven that the labour value of a good fundamentally cannot coincide with its price. Since all profits are equal in perfectly free competition, then, according to Ricardo himself, those businesses which use a lot of permanent capital and have a long turnaround time (e.g. machine factories) have to sell their products above the labour value; otherwise they would not be able to enjoy the same profit from the slow use of capital as those competitors who implement their capital in short turnaround times (e.g. domestic publishers). But if the prices of goods constantly deviate from the labour value, the axis on the labour value theory is already broken. The same difficulty persists in Marx<sup>240</sup>, but it is further compounded by his theory of surplus value. If the entrepreneur really lived on surplus-value, unpaid work, then those enterprises which employ many workers

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<sup>239</sup> For more on this, see my *Fundament der Volkswirtschaftslehre*. § 25; and on the terms of exchange, see § 18 and 19.

<sup>240</sup> See *Das Kapital*, Vol. III, sections 1 and 2. For details, see the Austrian criticism of the theory of value and surplus value in Böhm-Bawerk's *Capital and Interest: A Critical History of Economic Theory* (2017). Charleston, SC: Amazon, pp.258-275.

and little "constant capital" (investment capital), as is the case in the manufacturing industry, would make a lot of profit, while those who employ fewer workers but more constant capital (e.g. the steel mill) would make little profit. Moreover, the concentration of capital would necessarily have to be hindered by this, because an entrepreneur who has three factories for 500 workers, that is to say, 1500 workers in his surplus-value source, would be foolish if he then concentrated his production into one giant factory, where he was forced to use more machinery and more modern technology but might employ only 1000 workers (more constant and less variable capital).

A further fundamental shortcoming of Marx is that he only takes account of the living labour in the production of goods, but not the labour employed in the spheres of circulation (for example, in the merchant's capital), since, as stated above (as a result of Marx's concept of material goods and labour) in the circulation of goods, neither value nor surplus value is generated. The wages of mercantile labourers, who deal with the merchant's capital, are therefore disputed as an element of surplus value belonging to the industrial and agricultural workers! Marx later considered all these and other difficulties himself, and therefore admitted in the third volume of *Das Kapital* that the price of commodities can only coincide with their labour-value in exceptional circumstances. (Of the weak defence attempted on the basis of the relative and absolute surplus value rate found in the first volume, I probably do not need to speak here). According to Marx, the surplus value is to be taken from the entire capitalist class' total profit and divided through free competition between all the enterprises in society, a completely artificial construction not accepted even by most Marxists. Because the prices are not formed on the basis of total annual products for entire classes!

Marx's doctrine of price, taken as a whole, contains a truly primitive calculation of the price's element. It says that the price of a product is equal to: immediate labour expenditure (i.e. wage + surplus value) + the cost to replace consumed constant capital (e.g. machines), so that, for example, a price of 112 working hours consists of: 6 hours of wages + 6 hours of surplus value + 100 hours of capital replacement (= depreciated machinery, used-up raw material, etc.). In truth, however, there are many other elements to the calculation, and so it should include all of the following: 1. Capital replacement; 2. Capital interest (which, Marx incidentally does not overlook, but describes as a form of surplus value); 3. Wages (including repayment of the production costs of one's own labour force, including the production costs of the replacement population; taxes for schools are to be included!); 4. The costs to raise new workers (if a growing population is posited); 5. The additional capital for the new worker (for he must not only be able to produce but also be equipped with tools); 6. the company officer's wage (the director); 7. The state wage (taxes for administration, commercial courts, etc.; as a kind of remuneration for state capital, the "capital of higher order," which the entrepreneur often invisibly and

unconsciously uses); 8. The entrepreneur's wage (approximately equal to the wages of an equivalent director); 9. Danger premium (approximately equal to the premium on insurance against bankruptcy, economy, price fluctuations and similar); 10. Entrepreneurial gain considered as remuneration for the specific entrepreneurial contribution (that is, for the particular service to the production of the enterprise, be it organisational or technical. Such is obviously present in this capacity where newly invented procedures and organisational special services are involved); 11. Only now can we consider if something remains which can be classed as entrepreneurial profit in the Marxian sense, which could possibly qualify as exploitation, surplus value, but even this may not necessarily have been extorted from the worker, for example, it could be mark-up which the entrepreneur is able to levy on the purchaser as a result of his monopoly position.<sup>241</sup> It is irrelevant here which of today's value-theories are used in the above calculations. The only essential factors are: **a)** the specific entrepreneurial accomplishment (as technical or organisational innovation in the broadest sense, a constructive achievement), **b)** the involvement of capital, **c)** the participation of the state and administration (of higher-order capital), **d)** the labours of the company officers, of tradesmen and of all those who do not produce material goods directly, who do not directly work on the machine like the iron twister at his lathe; that all these services be recognised as productive elements of the economic cycle and thus portions of the price to be allocated! Now, one can argue whether or not the income distribution and social structure resulting from such attribution are fair, and whether they better the collective order. But Marx, according to his doctrine which affirms only living labour as productive, did not recognise any specific function of capital, and therefore attributed no capital interest to it (instead deriving it from surplus value); Marx did not recognise a specific entrepreneurial function, therefore attributing nothing to it and regarding any entrepreneurial profit as an acquisition of unpaid labour (of surplus value), while in truth, entrepreneurial accomplishment is the innovation which indirectly expands the scope of life for the whole economy, with the entrepreneurial gain being the innovator's premium (taking these words in the broadest organisational and technical sense). Marx had the evil eye, he probably saw the dark side but not the light side of capitalism, he saw the unequal distribution and considered it to be mere robbery, he did not see the vast, expansive creativity which lay behind this inequality. Marx sought to alleviate his mistake by granting a "socially necessary" surplus value, but this

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<sup>241</sup> For more information about these offsetting elements, which can be treated differently by the different price theories but must always be taken into account when it comes to fully-fledged scientific theories, see Cassel's *Recht auf den vollen Arbeitsvertrag* (1900). Göttingen: Vandenhoeck & Ruprecht.

(Ed.) Karl Gustav Cassel (1866-1945): Swedish economist, best known for popularising the idea of purchasing power parity.



was irrelevant to the political exploitation of "surplus value", and there was no theoretical correction. Marx also estimated the amount of surplus value (as much as modern socialists would like to deny this) to be high, probably about 100% of necessary wages!<sup>242</sup> Thus it became popular opinion among socialists that by distributing the "surplus value", a general improvement of the situation of the working class could be achieved, while in truth the average wage among the masses generally represents an equal share of total production!<sup>243</sup> No expert will deny that Marx's statement on this primary problem has remained absolutely superficial, even primitive.



The most significant of Marx's teachings (which, however, is by no means an original achievement on his part) lies in the law of the concentration of capital. While many have for the most part disparaged Marx's theory of value and surplus value, the truth content of this law, while never being fully admitted, has always been greatly overestimated. In the main, popular opinion has always been, and still is, that the concentration of capital is still going on in the Marxist sense, albeit with caveats, and much more slowly than Marx had thought.<sup>244</sup> But it is precisely this opinion that has proved fateful, and it has always broken the spear-tip of any theoretical opposition to Marxism, for it necessarily implies that development must ultimately end up in a kind of total collectivisation of production, in the kind of future state that Marx predicted. The only difference is that the Marxists hoped it was right around the corner, while the "bourgeois economists" estimated a hundred years or more!

The law of concentration does not merely concern the operating form in the formal (morphological) sense; its scope and effect lie in its connection to the materialist conception of history: according to Marx, it is the fundamental law of development, the natural law of the capitalist economy, and thus defines the primary process of development, which ultimately leads to the state of the future. Hence, it is of crucial importance to understand, when giving an overall

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<sup>242</sup> For example, see the calculation in Marx, K. *Capital*, Vol. I, pp.326-327 which, while not binding, is symptomatic.

<sup>243</sup> The workers of the post-Napoleonic period, those described by Marx, suffered the consequence of the war and excessively rapid capital formation, that is, the basis of production was inconvenienced by consumption reserves being withdrawn from a rising economy.

<sup>244</sup> See Schäffle's *Bau und Leben des Sozialen Körpers* (1896). Tübingen: Laupp, Vol. II, p.300. Schäffle, who presented himself as a violent opponent of Marx, along with Philippovich, Karl Bücher, Adolph Wagner and most other leading economists of the past 50 years, all are sad examples of this.

(Ed.) Karl Bücher (1847-1930): Minor German economist, a colleague of Schäffle.



assessment of Marx, that the "law" of concentration can never be universally valid but must always be confined to certain branches of the economy, and even in these instances has its definite limits.

It is well-known that in agriculture the law does not apply, that in this sector, medium-sized enterprises stand to gain, large enterprises face decline, that there is no simple superiority of this or that form of operation, but that every form of operation is superior only for certain special products (e.g. large properties for cereals, small properties for the breeding of minor animals, etc.). However, in trade, commerce and transport the basic rule is that market size plays a decisive role in the performance of the respective form of operation. In general, one can say: small enterprises for small markets, large enterprises for large markets. (To speak of true expertise, I add that a most instructive perspective on this question is Thünen's theory<sup>245</sup> of only relative correctness of various systems of farming).<sup>246</sup> The small market can be found in the repair industry, in the preservation (conservation) industry, in many industries based around deterioration; furthermore, in the case of the crafts industry and everywhere where, as a result of perishability, inability to pay and the like, the small, fragmented market is insuperable (e.g. the food industry, construction); finally, we can consider regions with less dense populations, low traffic and low demand, which are small markets at the outset. A few examples may illustrate such cases. In the industries which provide motorcycles and sewing machines, only a large operation, indeed only a huge operation is feasible. Nevertheless, these branches of production have provided more work for the middle class than for factory workers, since, due to deterioration, agency, repair and storage, they must rely on a network of small-market activities all across the country. Another example is the crafts industry, taken in the broadest sense. Today, it plays a small role in the economy, but it remains a field with infinite potential. The more refined tastes become, the more space is created for individualised, crafted handiwork. Germany is still backward in this sense. In England, it was John Ruskin<sup>247</sup> who stood against the template factory product and aroused understanding for beautiful, durable craftsmanship.<sup>248</sup> The result was a revival of English craftsmanship, which was especially brought on by William

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<sup>245</sup> (Ed.) Johann Heinrich von Thünen (1783-1850): German economist, prominent in the field of economic geography. In particular, Thünen demonstrated how different agricultural enterprises should be situated in relation to an urban centre.

<sup>246</sup> For more details, see my *Types of Economic Theory* (2000). Abingdon: Routledge, pp.171-174.

<sup>247</sup> (Ed.) John Ruskin (1819-1900): English philanthropist and art critic.

<sup>248</sup> See Ruskin, J. (1887). *Lectures on Art*. New York: George Allen.

Morris<sup>249</sup> who set down important precedent and did huge damage to large-scale industrial production (with handmade rugs, books, metalwork). Examples of the role played by taste in the great development of the fine industries, which necessarily remain on a smaller scale, can also be found in France and Vienna. Another important factor in the upcoming development is as follows: with the protective tariff policy of almost all states, export countries (England, Germany even before the war, but certainly now) lose their gigantic markets for cheap, mass-produced goods, which are increasingly produced by the import countries themselves; to adjust to the conditions of the larger market these enterprises must therefore refine their export goods ("develop the qualitative industry"), in order to hold their own at all. The markets for fine goods are smaller and more fragmented. It is because of all this that gigantic enterprises built on cheap, mass-produced goods have experienced an intense reduction (in England, and at first in favour of the medium-sized factory enterprise, this is already in-part statistically provable!) The war has strengthened these tendencies (towards "autarky") throughout the world, and they will not only achieve full political but also full economic success!

Another example can be taken from Pohle.<sup>250</sup> It is undoubtedly true that the modern steam mill is immensely superior in technical terms to the small mill on the mountain stream, and yet the little mill is, economically, the more efficient form of operation under certain circumstances. What if the grain in question, harvested in rural regions, for example, the Alps or southern Hungary, were to be sent first to Vienna and Budapest because the most advanced milling facilities are located there? "This would be a waste because of the high cost of roundtrip transportation. The farmers of poor rural districts are therefore right when they turn to the little mill in the countryside despite its backward technique."<sup>251</sup> Pohle also points out that the ever-present shortage of capital will be a necessary obstacle to the transition to large enterprises.<sup>252</sup>

Finally, another, often emphasised and not unimportant fact working against the law of concentration is as follows. Even where large-scale operation and large capital expenditure is present, the concentration of the enterprise does not necessarily mean a concentration of holdings. The "interest participation" of the capitalists themselves already necessitates decentralisation, but much more influential is the stock market, the use of shares in any form. Today, every bookkeeper speculates with shares, thus becoming a co-owner of the company in question and a participant in its capital. Incidentally, profit sharing, works

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<sup>249</sup> (Ed.) William Morris (1834-1896): English industrialist famed for his popular designs in home furniture and decoration.

<sup>250</sup> (Ed.) Ludwig Pohle (1869-1926): Minor German economist.

<sup>251</sup> Pohle, L. *Kapitalismus und Sozialismus*. (1931). Springer-Verlag: Berlin, p.131.

<sup>252</sup> Ibid., and also on p.165.

councils and similar phenomena are tendencies which run contrary to the concentration of ownership.

In addition to all these reservations, there are still some counter-currents of modern development, which though quite narrowly applicable, are still of no small importance in their own context. Here I mention only the following two: the cooperative system which, in the most varied forms, partly secures advantages for small businesses (cooperative machine use, credit unions, etc.) while partly involving the worker in the company; and the multiplying, rightly so-called "new middle class", which has taken shape among the workers and officials in a variety of ways.

All these limitations and internal resistors do not, however, entail insignificant modifications, petty amendments to the "law" of concentration, a frustration accounting for twenty out of a hundred years, or the like. They are all absolute obstacles to concentration; they clearly show that a thorough concentration of capital and operations cannot take place. Conversely, it follows that if a socialist society were to forcibly combine all economic activity in large enterprises, it would work less economically than hitherto, in part by violating the law of small markets and thus causing tremendous yield losses, but there would also be failure due to technical impossibility. (The former is shown in the example of the mill, the latter in that of several food and construction industries). Never can the concentration of capital and operations be shown to be a continuous process over the course of a century; hence the collectivisation of production, the "centrally planned economy," can never become a permanent fixture.

In the foregoing, I have attempted to show the impossibility of a trajectory of continuous concentration by means of examples that are accessible to the non-professional. Now I shall be permitted to add a professional addition. The conditions for the superiority of large enterprises are as follows: 1. the market size; the larger the market, the greater opportunity for large enterprises; 2. The relationship between investment capital and labour. The more labour required by the business, the less superiority is to be found in large enterprises, the less opportunity to fully exploit the market size (trade!); 3. the essential, individualised requirements of the production process; the more customisation required, the less superior the large enterprise becomes. We therefore find in the cotton milling industry large stock companies, but in the case of flax, which must be treated more carefully as in the wool industry, and which makes use of quality engineering, much smaller plants predominate. Similar is true in the individualised machine industry and especially in the crafts industry; 4. the capability to connect the front-end, back-end and annex elements of the business structure. For example: vertical and horizontal integration; or: banking that is concentrated where the industry to be financed is concentrated.



From all of this follows the diversity of conditions and circumstances, it follows that every line of business and every operation itself is unique!

If we wish to proceed from this single critique of the "law" of concentration to the deeper causes of its impossibility, we must arrive at the following conclusion: it is only a thoroughly atomistic way of thinking, found in Marx as well as in his bourgeois opponents, which could reach the opinion that the immense diversity of the living economy could submit to a single tendency towards concentration. The fundamental error in Marx here is equalisation, atomisation. Since for any adherent of natural law, everyone is an equal citizen, so for Marx each person is an equal economic unit, and every enterprise is equally replaceable, displaceable, and amenable to concentration; and among the (hypothetically) concentrated enterprises, all is found to be equal, everything is atomised. Any such equality, however, completely contravenes the nature of all economy; it would be the death of economic life, of economic development. Those who have learned to think organically know that vital life always has the means to preserve its diversity, differentiation and uniqueness, and that it always knows what to avoid in order to never be forced into a single template. The basic insight which guides us here as above (see pp.49 and 60) is that the organic is not homogeneous (does not consist of equal parts); the homogeneous is not organic. The real economy is organic, it can never be made homogeneous without being destroyed, as the example of Russia shows, as the example of Béla Kun's Hungary has shown, and as we see in Neurath's unnatural, centralised "plan-economy" in Munich.<sup>253</sup> With this inorganic, atomising way of thinking, the mechanistic view, the law of concentration is closely connected. A large-scale enterprise's concentration represents only another organic composition of the large enterprise as compared to the small, not the endpoint of some kind of mechanical enlargement. The theory of concentration resembles an assertion of the following kind: through exercise, a fifteen year old boy, in one year, has made it his business to be able to lift 25 kilograms; therefore, in another 10 years he will lift 50 kilograms, in 50 years, 250 kilograms! Presented here is a law which proceeds mechanically, with no regard to the organic nature of the object, its internal constitution, its laws of life. "Concentration" is not a mechanical "law" at all, but a phenomenon: that "big business" often has greater economic means than "small business".

Immediately connected with this error of atomistic and mechanistic thought, which originates from the deepest part of the Marxist spirit, are Marx's ideas of the social ownership of production as such (today called "socialisation") and the false assumption of the productive superiority of the collectivist economy over the capitalist economy. If we assume that similar enterprises everywhere exist under average technical and economic conditions,

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<sup>253</sup> (Ed.) Otto Neurath (1882-1945): Austrian-Jewish political economist who took on the role of economic planning in the *People's State of Bavaria* in 1919.



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then any two of such enterprises could be subject to concentration and socialisation! This assumption is, however, for the deep-thinking expert and professional, almost downright outrageous, as has probably been sufficiently demonstrated in the discussion above. Because there is in fact no atomistic homogeneity of enterprises and, in general, of economic resources or economic activity, there is also no continuous collectivisation process. Such would be against the nature of the economy. A collectivisation, a top-to-bottom centralisation, a uniform "socialisation", is itself only possible in a purely technical sense where the following conditions prevail: 1. reasonably uniform services or products (e.g. the railway or tobacco production) are present, and where; 2. a single market is present, for example at the post office. However, even in the iron industry, even in heavy industry, these conditions are everywhere absent, and wherever these and similar conditions are in fact not forthcoming in nature (limitations indeed being fluid to some degree depending on the case), socialism is already not only economically impossible, but is impossible in terms of technical organisation.<sup>254</sup>

A more exact dissection of the facts, which would be out of place here, yields the following. There are four types of economy: pure, free market economics, capitalism moderated by sociopolitical and cooperative regulations, the guild economy, and the centrally planned or collectivist economy. Of these, the 1<sup>st</sup> and 4<sup>th</sup> are utopian, and only the 2<sup>nd</sup> and 3<sup>rd</sup> are historically possible.<sup>255</sup>

Compared to the doctrines we have already treated, the remaining parts of Marxist economics are of secondary importance. Moreover, it would go too far to treat Marx's theories of wages, immiseration, crises or his monetary theory here. The wage theory of Marx, which is little more than a modified version of Ricardo's so-called iron law of wages<sup>256</sup>, is false, and, measured by the teachings of Thünen and the (albeit later) marginal utility school, quite backward. The theory of immiseration has been abandoned even by strict Marxists, and his monetary theory probably cannot be taken seriously at all. The study of these doctrines shows most plainly to what extent Marx was a true expert in the science of economics, that no matter what scientific garb he wore, he was only a political agitator. A political will guided all his thinking. His economic doctrines were not puzzled out theoretically but tooled for political purposes.

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<sup>254</sup> For further information on the incorrect assumption of the fundamental productive superiority of the organised economy, see below, § 22, especially pp.165-167.

<sup>255</sup> See my *Fundament der Volkswirtschaftslehre*, § 22.

<sup>256</sup> (Ed.) The *Iron Law of Wages* states that real wages always tend towards the minimum wage necessary for the worker to survive.

## 2. Historical Materialism

In the evaluation of Marx's materialistic theory of history, we encounter the same phenomenon as in economics: there is almost no one who fully agrees with any of his propositions (which, by the way, are difficult to grasp in the absence of a systematic treatment of the subject by Marx), and yet everything remains under the spell of this doctrine. A number of "young Marxists" seek deep meaning behind absurdities, and even the bourgeois researchers have until recently tried again and again to treat seriously the concepts of the materialist conception of history.

As the first component of historical materialism, we have recognised the environmental doctrine (milieu theory). It contains a fantastical pseudo-Universalism. For the assumption that human thought and the mind are nothing but a reflection, a clear, mathematical function of the environment, is self-contradictory, and makes thought a corporeal, material thing. Not only is this false; the basic contradiction of environmental doctrine lies in the concept of the environment itself. "Environment" is already a purely spiritual concept, a spiritual creation, because the "environment" to me is likely only that which, firstly, I recognise and experience spiritually, and secondly, I choose as meaningful to me. Whether I use a land for hunting, agriculture or viticulture, it is only me who turns it into a hunting ground, etc., branding it, granting it its special "milieu value". However one approaches things, it will always be found that the individual spirit can only be thought of as that which brings forth, if only for the sake of the supra-individual. For sure, man is not a Prometheus, not a Herakles, in a word, not an autarkic spirituality, because his calling forth takes place only in the context of participation in a whole. But he must not be deprived of his due as an active spiritual reality. We have already seen the details of the milieu doctrine seen as a pseudo-Universalism (pp.33-34).

A doctrine closely related to the milieu doctrine is Marx's concept of "ideology". According to this, the spiritual content of a society, its world of ideas, e.g. law, religion, science, art, do not constitute a pure truth, but only the "superstructure" built up over the respective economic "substructure," the unambiguously determined, dependent, variable function of the economic factor; and that it particularly mirrors the economic interests of the ruling class. This view is philosophical materialism in the worst, in the most primitive sense of the term; it fails to recognise that the substructure, the economy, is necessarily "ideologically" influenced (see p.146), that the spiritual alone is the guide and agent of world history. Hegel says: "Philosophy is the innermost part of world history." Marx himself confesses that he completely reverses this conception, in that the economic mechanism is primary, the content of ideas dependent (see the remark quoted above, p.128). The doctrine of superstructure and substructure appears in the philosophy of history like a vegetarian dish which presents itself as a "worldview".

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Another dogma is that of the class struggle. If the thought-content of an age is solely defined by class ideology, then in the progression of the world-historical class struggle, Marx believes he has once again outdone Hegel. For with Hegel, it was instead defined by an inner moment of a spiritual kind: whereas here we are dealing instead with the substantial clash of classes, which, as an economic class struggle, is merely a clash of matter. But to what extent history contradicts this whole conception is shown by eras such as those of the Crusades, such as the Renaissance, humanism, and the Reformation, in which pure ideas move the century, while economic antagonisms, even of the most violent kind (like the peasant wars at the time of the Reformation), fade into the background. Let us hear from a historian of that era, Konrad Burdach<sup>257</sup>:

"Humanism and the Renaissance are fundamentally spiritual movements. Their sources are moods, needs of the imagination, the yearning for the primitive prototype of the human, the natural sense of simplicity, clarity, grandeur, for light, beauty, brilliance, for freedom and harmony of form, for festive splendour, for the adornment and joy of life. They are in their innermost essence idealistic forces. And they have their origin in the heights of education. They awaken from the heritage of ancient cultural tradition. They contain aristocratic impulses which unfold within them. And this is why the Reformation movement, to which this aristocratic character was quite alien, later had to divorce sharply from humanism and the Renaissance. Humanism and the Renaissance were idealistic and aristocratic. It is therefore impossible to derive their origin from economic and political progress."

Such evidence could be found in countless episodes of Germanic, Greek and Oriental history. Marx and Engels, however, knew too little about economic history, as well as about political and intellectual history for their materialistic conception to find substantial support in world history, even in the roughest sense. There was also a lack of essential knowledge, which cannot be replaced by ingenuity and journalistic skill.

Incidentally, the concept of class itself is quite inadequate in Marx. A class is conceived as a purely economic entity, and in capitalist society there are basically only two classes: proletarian and capitalist (bourgeoisie). Since according to Marx, the spiritual character of these classes results from their economic character, spiritual and economic class formation must coincide. Here again, everything is faulty. Of particular note, even the economic class formation is not uniform. Among the great mass of workers themselves, there are already several tiers to be distinguished: the unskilled, the skilled and the

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<sup>257</sup> Burdach, K. (1918). *Reformation, Renaissance, Humanismus: Zwei Abhandlungen Über Die Grundlage Moderner Bildung Und Sprachkunst*. Berlin: G. Paetel, p.158.  
(Ed.) Karl Ernst Konrad Burdach (1859-1936): Minor German philologist and cultural historian.



highly qualified. But there are also: agricultural workers, peasants, artisans; there are those doing higher mental work: engineers, civil servants, directors, etc. However, spiritual stratification is not based on these economic considerations. Protestant and Catholic, materialist and idealist, völkisch and cosmopolitan, conservative and liberal (not in the party sense, but in the fundamental sense); these and many other spiritual stratifications run through all economic groups (cutting them). A fundamental error of Marx then is that class division necessarily entails class struggle. To explain the story in such a way is as insane as explaining the family in terms of oppositions: father - mother - brothers - sisters. The common, the corporative, which unites the classes into a whole, is the essence of a healthy society (see below, p.149).

All the aforementioned deficiencies hang, at last, on the concept of the economy. The capitalist economy is conceived by Marx as an "*ordre naturel*" (as the individualist physiocrats called it), i.e. as an atomistic web of individual forces uniquely determined by the law of self-interest, hence it is an objective, mechanical, material, causal mechanism, the prime mover of all society, its development and its history. Economics is therefore for Marx a causal science, one which finds laws that determine the course of events. In truth, however, the essence of the economy is that it is meant to be a means for ends, and when we say "for ends" what we mean is that the spirituality, the ends, ultimately constitute the premier power in life and history. Hence, the most spiritual people, Buddha and Jesus, have also made the most history. The spiritual is the end and the master, the economic is the means and the servant. When you seriously consider the economy in these natural terms, then it can no longer be called an automatic mechanism, but puts before us a series of investigations: the quality of the means, the sequence in which they might be employed, the ranking of the means as lower values with respect to the ends as higher values. Thus, mechanical causality vanishes, and economics now appears as a science in a value relationship with its content; and which, therefore, is not teleological in the sense of value-creating (equal to moral science), but teleological in the sense that it explains the relation of the means to an end, and how to order means in terms of importance. To elaborate further would be impossible here; I may refer the "inquisitive" to my *Fundament der Volkswirtschaftslehre*. What concerns us here is the fact that the purely mechanical concept of economy, the pure causal concept of economic law which prevails in Marx, is untenable and must be replaced by a value-related notion of economy. This would set the spiritual in its proper place and grant it once again the leadership role in society and history.

Another serious defect of the Marxist economic concept is the idea of private property, which is already there from the outset, is already presupposed, whereas any system of laws should first rise as a "legal superstructure" from the "real basis of the relations of production," as Marx himself puts it!



A separate chapter in the Marxist conception of history is the so-called dialectical method which Marx makes use of, and which is to prove, so to speak, that to a certain extent Marx has always remained a Hegelian. Marxism wants to surround itself with the glory of Hegelian philosophy; it is said to have a share in one of the greatest German philosophies, and thereby is endowed with the dignity of highest scientificity. Never has such a glory been given away with greater injustice. Anyone who truly knows German classical philosophy (I tell the studious that Hegel can only really be understood through Schelling, read the Schellings of the age, and Hegel will be relatively easy), will have to agree with me that Marx never understood Hegel. Marx transformed the spiritual, the world-spirit, the *λόγος*, which was Hegel's only theme, into a mechanism! Thus, nothing of Hegel remained except the misuse of a method which was no longer "dialectical" because the internal reasons for it were completely absent!; and instead it was only the whimsical marvel of a blind causal nexus. Considering that Hegel was talking about spiritual development, one can very well see the complaint (the objection); that in the case of the mechanical, the method no longer makes sense. Can one apply the "dialectical method" in theoretical mechanics, as in chemistry, as in machine science? If one wanted to build a machine according to the law, a lever would necessitate a non-lever, followed by a synthesis of the two; in this fashion, could one ever put together a machine that works? However, this is precisely how Marx thinks when he considers that the economy is a mechanism, one which internally assembles and dissolves in dialectical oppositions.

That Marx could make such a parody of Hegel's dialectical method was his own business. But the fact that for a whole century, adherents and critics praised this Hegelianism, shines a bright light on the boundlessly shallow and mistakenly oriented philosophical upbringing of the past and present generations

This is closely connected with another methodological contradiction in historical materialism. Society and history should be moved by an unalterable mechanism, by blind laws of nature, and yet this movement must also have direction, it must have a goal, a progress, must be attuned to the achievement of a future socialist society. As we all know, a mechanism does not move either in terms of progress or regress, but rather it has no ends, no direction. The mechanical in itself is incapable of valuation. Just as the revolution of the earth cannot be called ten times more valuable than the revolution of Venus, so too could the economic laws of nature, if there be such, have neither purpose, direction, nor value.



If one examines Marx's theory of history, a single dominant feature emerges: the rationalisation of life. Everything revolves around the axis of the

economy: life, society and history. This doctrine is the greatest, most far-reaching and at the same time the most unfortunate, the most lamentable influence of Marxism; this is the real culture that Marxism has instilled in the modern zeitgeist and under which our politics, our law, our state, our social science and even our morality and our entire concept and way of life suffer, and indeed it is the culture which had such a great effect on the German folk soul. The commoditisation of life, the materialisation of the Idea! We are exhausted to find in every bourgeois newspaper and in every parliamentary and government rally, that we hear of the fundamental importance of "economic factors," of economics, and only of economics, this attitude having Marxism as its murky source. However, one cannot put all the blame on Marxism. It lies deep in the nature of the Enlightenment, of individualism in general, to materialise the immaterial. But Marxism gave the most classic expression to this idea of the age.

In the historical materialism of Marx, there is, however, also a positive among all the defects, which should not be concealed here. Historical materialism can be used as a textbook example of how the construction of human society and the course of its history could be thought of causally, mechanically. Here we find exemplified a method by which one can consider the vast diversity of cycles and content evident in human society in a unified, empirical-causal relationship. "Substructure" and "superstructure" are, despite all platitudes, if taken in a purely methodological sense, two guiding concepts that can give rise to a certain initial clarification of the anatomy of human society. Further, as the substructure represents the primary and unmoved motivating force, this model of construction also becomes an easily taught example of a "law" of movement, a developmental law.

The value of Marx's theory of history as an example of the methodological school has always been highly praised in the literature. However, even on this point the doctrine itself is incomplete; so much so that today the antagonism between "catastrophe theory" and "evolutionary theory" has become a battlefield among the Marxists. For it is this antagonism, above all, that led to the divorce into the Majority Social Democrats and Independents or communists.<sup>258</sup> This is the question of whether one has to interpret the progress of history as "evolutionary", so that analogic events must occur in any case, as soon as their time has come, and this event in the substructure changes the superstructure accordingly; or whether decisive change is achieved by forcefully taking hold of it (revolution, catastrophe). How history is produced; this question is not answered unambiguously in concrete, doctrinal Marxism,

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<sup>258</sup> (Ed.) Refers to the splitting of the Social Democratic Party of Germany (SPD) in 1917. Becoming two separate parties, the moderates formed the Majority Social Democratic Party of Germany (MSPD), and the radicals the Independent Social Democratic Party of Germany (USPD). They would unify again in 1922.

although from the methodological nature of its theory, the causal-evolutionary viewpoint must follow.

### 3. The Political Theory

In the realm of political theory, the basic idea which we have communicated above reveals Marx's true nature, his own heart, exposing the innermost impulses of his entire body of research and pursuits: he is not a researcher but a politician, not a Universalist, but an anarchist. What follows is a consideration of his political theory.

Firstly: it is fundamentally mistaken to see the essence of the state in exploitative rule, in "class rule". Class rule will indeed occur in every historical state, but it does so not because of the essence of the state. The essence of the state is rather: organisation! What we call creative, fruitful order, which includes a moral totality of life, this defines the state, not oppression. Further, organisation contains among its concepts a sovereign power, because rule and subordination form its constructive law. Thus, even if all "classes" were eliminated, there would still be a ruling power. This is evident when, taking the standpoint of natural law, we logically construct the state of nature, in which there were no classes. The essence of the original social contract and the founding of the state was precisely: to establish a ruling power, even if only to inaugurate and maintain the overall organisation of the "state". A state without a ruling power is conceptually inconceivable. I therefore completely fail to understand how Marx could explain how, by eliminating class distinctions, the "state" would fall away, because there would be no one left to oppress and enslave others.

According to Marx, what follows the abolition of class distinctions should be a "free association", a society without any forced organisation and thus without a state. However, since the "society" in its justice system, culture and administration must necessarily exercise compulsion, absent this we would be left with: an anarchist utopia, i.e. perfectly voluntary cooperation, or in other words, chaos.

But the collectivisation of production and the economy as a whole must necessarily be compulsory! A centralised, planned economy without forced organisation is a contradiction in terms. Of course, there are people who are able to conceive of such contradictions. Lenin claimed in his book *The State and Revolution* that in the future this problem would be solved by the "habituation" of the individual to his working duties, which would gradually render the compulsion superfluous!!<sup>259</sup>

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<sup>259</sup> (Ed.) Lenin, V. (1940). *State And Revolution*. London: Lawrence & Wishart, p.68.

Here we return to a basic, core idea found in every variety of communism, be it Marxian or something else: the belief in the unbounded perfection of man, the belief that all human beings, if only they enjoy the appropriate education, are absolutely good, yes, morally perfect, and will therefore, for example, voluntarily carry out their duties in a planned economy. This belief is a blind faith, even from the point of view of the Mendelian laws of inheritance<sup>260</sup>, but what about from the point of view of someone who actually knows men, for anyone who has even grasped a Shakespearean drama<sup>261</sup> with its colourful abundance of archetypal characters? Here, next to anarchy, we encounter the second subsoil of Marxism: the psychological utopia.

Just to what extent Marx is a covert and yet fundamental utopist becomes clear in its entirety when he discusses communist society more thoroughly. Characteristic of this is the famous passage from his letter to Bracke (1875)<sup>262</sup>, where we read:

“In a higher phase of communist society, after the enslaving subordination of the individual to the division of labour [i.e. the abolition of the division of labour in communist society! My own note], and thereby also the antithesis between mental and physical labour, has vanished, after labour has become not only a means of life but life’s prime want [!]; *after the productive forces have increased with the all-round development of the individual, and all the springs of common wealth flow more abundantly*<sup>263</sup>; only then can the narrow horizon of bourgeois right be crossed in its entirety and society inscribe on its banners: From each according to his abilities, to each according to his needs!” [i.e. it is now possible to move from the principle of the individual’s “right to the full product of his labour” to the principle of equality].

If one considers the content of this passage, which speaks openly of the ultimate goal of Marxism, the following assertions can be found:

1. The division of labour is suspended in the future state.
2. Labour is something people want to do, rather than something they must do.

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<sup>260</sup> (Ed.) That is, those laws discovered by German friar, Gregor Mendel (1822-1884), often considered the founder of genetics.

<sup>261</sup> (Ed.) William Shakespeare (1564-1616): English playwright, widely regarded as the world’s greatest dramatist.

<sup>262</sup> (Ed.) Again, this quotation is not from the letters to Bracke, but from the *Critique of the Gotha Programme*. See *Marx & Engels: Collected Works*, Vol. 24, p.87.

<sup>263</sup> My italics.



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3. Mental and physical work are combined (exercised by all at the same time).

4. Production takes place on a cooperative basis, apparently by way of full, cooperative, voluntary action (it appears at least that the centrally planned economy is no longer in the foreground).

5. The productive forces are developed to their fullest as a result of the higher education and perfection of men; hence, economic wealth is practically unlimited, and as a result, everyone can satisfy his needs at will from the goods of the community.

Anyone who considers these sentences can no longer doubt that the two basic, primary ideals of Marxism are: anarchist society and economic utopia. It is irrefutably clear that the state is supposed to disappear in the future communist society. The reason for this is that every human being is so flawless that he knows both what he must do as well as what he should really want to do. It is equally clear that the economy will have disappeared in the narrower, more oppressive sense of the word "economy," because labour meets every need, and because the wealth of goods has grown so exponentially that the distribution of goods to sustain the people no longer faces any challenges, but can be completely responsive to needs. Thus, the communist society develops into the anarchist ideal of voluntary, cooperative collaboration and the free coexistence of individuals and their "all-round development", individuals for whom work is the "first necessity of life". Utopia, not science, shows itself at work here. How seriously these musings were taken, as they were Marx's last and most authoritative contributions, is proved by the statements of Engels, who was less cautious than Marx. For Engels, it was important to find historical evidence of the possibility of a community without a coercive order. He says (in the foreword to *The Civil War in France*): "The gentile constitution is the proof that society can live without a coerced order, that is, without a state." "The state, therefore, has not existed from all eternity. There have been societies which have managed without it, which had no notion of the state or state power."<sup>264</sup> We need not say a word today to show that this was a gross error. Nowhere can a coerced order be dispensed with, be it in a gens or other associations. There is neither a historical nor an ethnological experience that allows one to assume that there has ever been a community without some element of coerced order.



<sup>264</sup> (Ed.) These extracts appear to be repurposed in Engels, F. (1942). *The Origin of the Family, Private Property and the State*. New York: International Publishers, p.158.

Even if the examination of Marx's theory of economics and history resulted in their ruin, there were always astute, well-established chains of thought distinguished by strictly logical deductions (especially as far as Ricardo's ideas were concerned). In the realm of political theory, however, every serious application of science, indeed every application of strict logic, is absent, and there is nothing left but fantasy, endless wishes, i.e. a utopia.

#### 4. A Sociological Critique

Sociological critique should not repeat what has already been said regarding historical materialism and in our critique of the theory of the state; it must instead only address the final, fundamental question that faces all sociological attitudes: does it return to individualism or Universalism? The study of the Marxist construct in this respect has so far been neglected.

The result of the following, more detailed examination we can summarise in advance in one sentence: the sociological foundation of Marxist teachings is an utterly illogical, utterly contradictory jumble of individualistic and Universalistic elements. It is not that the mixture of individualistic and Universalistic elements is distressing, but that they are quite contradictory, unaligned and incompatible with each other. For proof, the following simple enumeration suffices:

1. Of an individualist nature are:

a) The concept of wealth and the concept of the economy, both of which are conceived as mechanical sums of "commodities"; so too is the very concept of goods, conceived as merely material.

b) All basic economic concepts, i.e. the overall breakdown of the economic process, the total dissection of the economy's nature: value as an objective substance (insofar as a good always and everywhere behaves like  $x$  labour-hours and is autarkic, it is also a quantitative element of the whole mechanism); the exchange as an equation of objective substances; surplus value as the resulting quantitative difference; money as a commodity to which the intrinsic value after working hours is inherent.

c) The completely mechanical conception of the economy. According to these basic concepts, the whole economic process, the whole economy, must be regarded as a mechanism, as *ordre naturel* (as in the case of the natural-law based, individualistic physiocrats). The essence of the economy here is pure transport (that is, a network of atomistic exchange parties), and thus free trade is appropriate. The economic

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laws are therefore not organic but mechanical laws, i.e. blind causal laws; a view that is possible only in a purely individualistic view of the economy. And so also follows...

d) the atomistic conception of the whole economy, which was referred to above (especially in the law of concentration) again and again (see p.142).

e) The Machiavellian explanation of the state, in that it is basically considered an exploitative formation in which one class exploits the other. This conception is completely individualistic insofar as it presupposes that the "state" in its essence is, indeed must be, the exploitation of the weak by the strong (that it concerns the collective entities of "classes" does not serve to negate the basic individualism of this element).

f) The revolutionary orientation (with which an evolutionary conception goes hand in hand, indeed predominates) has in Marx a basically individualist character.

g) An individualist stance can also be discerned in Marxism's indictment of surplus value: it is justified on the grounds of the workers' right to the full product of his labour, which is a purely individualistic principle. (However, this individualism is conceived only as a transitional state, since, at a more developed stage of communist society, the right of equal satisfaction of needs should supplant this right).

h) Not even still qualifying as naturalist-individualist thinking, but already crossing into anarchism, is the ideal of the future communist organisation of society as a "free association of individuals", an "absence of the rule of men over men";

i) in addition, we have the aim of free, cooperative labour (work not as a means, but as a need, thereby becoming purely voluntary);

j) the ideal of the perfect, and at the same time autarkic, individual of the future. In the end, this is individualistic.

k) The basic democratic trait laid down in the political programme of Marxism (see pp.130-131, 149) and expressed in the compound word "social democracy". And finally,

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l) the "dictatorship of the proletariat", which has an individualist-Machiavellian quality, although here we recognise the caveat that this too is only a transitional phenomenon

2. Of a Universalist nature are:

a) The concept of value being based not on the individual hours worked, but the "socially necessary labour time" (however, this cannot change the completely individualistic, basic orientation of the theory of value and all the basic concepts stemming from it), and similarly the concept of "cooperation", which again values the totality as paramount;

b) The subsequent concept of surplus value as the total income of the entrepreneurial class (here, the surplus value is regarded as a social product, rather than individually calculated and implemented exploitation).<sup>265</sup>

c) The doctrine of the "concentration of capital". Although it rests on an atomistic, i.e. individualistic basis, it represents a law of the overall economic nexus, so to speak, of the integration of the economy, and is therefore in fact a social, holistic (collective) rather than individualistic law.

d) The individual as a mere reflection of his environment (this was exposed as a falsehood above, because it represents a mechanistic-materialistic version of Universalism, see pp.33-34).

e) History as a clear continuum, conceived as an organic development. (The historical development takes place, so to speak, behind the back of the individual).

f) The concept of the class rather than that of the individual.

g) The goal is also Universalist: the collectivisation of production, a collective general order (however, the actual end-goal is the voluntary cooperation of people working according to need, not according to coercion or a plan, which is, in the end, individualistic).

h) Equality; if equality is a mixed concept, it also contains Universalist elements in addition to individualist ones (see above, pp.59-60).

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<sup>265</sup> See p.136.



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If you look at these lines, you can see a battlefield or, to view it a little more harmlessly, a sociological Peasant Wedding.<sup>266</sup> But despite the almost whimsical abundance of contradictions that open up here, it is still possible to discern a certain order to things, and clarify the overall sociological plan of Marxism. It is as follows:

1. For the transitional period: the dictatorship of the proletariat, i.e.: political Machiavellianism (through the subjugation of the bourgeoisie); economically, however, it would bring about the natural law by realising: the right to the full product of one's labour through progressive confiscation of rent and surplus value; which gradually lays the ground for: economic equality. Thus follows: overcoming economic Machiavellianism, which is rooted in capitalism, through economic natural law (the essential part of which is equality; see above, pp.22 and 60).

2. Through the gradual achievement of economic equality (economic natural law), there will be: **a)** the classless society (i.e. the product of economic natural law), but also **b)** the political natural law, i.e. democracy (in place of the Machiavellian dictatorship); yet in a Universalist moment, there is this collectivisation of the whole economy (something which is supposed to make "a" possible, that is, despite being Universalistic, it has atomistic individualism as its goal!!).

3. The endgame: the collective, coercive order ceases, voluntary co-operation occurs; **a)** with economic equality, and **b)** with political impotence (since any order of coercion is absent). The end result is thus political and economic anarchism; which, however, can only be reached via the perfection of morality and the goodness of humanity achieved through education.

This dissection exposes the true picture of Marxist socialism: prevailing individualism with a Universalist element of collectivising the means of production. This result might come as a surprise because Marxist socialism, due to its demand for "socialisation" and "collectivisation", is generally understood as a predominantly collective, Universalist orientation. I myself formerly gave voice to this opinion insofar as I conceived of socialism as: Universalism in the economic sphere but a rejection of Universalism as far as the spiritual sphere is concerned, with a preference for crude, individualist elements.<sup>267</sup> This is incorrect.

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<sup>266</sup> (Ed.) Refers to *The Peasant Wedding*, a 1567 painting by Dutch artist, Pieter Bruegel the Elder (1525-1569). It depicts a generally chaotic atmosphere.

<sup>267</sup> I wrote as much in my *Gesellschaftslehre* (1914). Leipzig: Quelle & Meyer, p.280.

Now, as a result of the above analysis, I would like to sum up my view again as follows: Marxist socialism is the extension of equality from the political to the economic sphere, i.e. Marxism is natural law, transferred from the state to the economy. Therefore, when it comes to production, Marx can call for collective organisation, he can demand common action, but always a separate spiritual life, always a "free association of individuals". (The contradiction is that common action can only be based on spiritual community!) For the later, final state, where the leap from the "realm of necessity into the realm of freedom" has been completed, the action of the planned mutuality is also stripped away and replaced by voluntary cooperatives, which lack any force of coercion. Freedom is the supreme law of life for socialist society. Hence the revolutionary attitude of Marx, who said: "the proletariat is revolutionary, or it is nothing."<sup>268</sup>

## 5. A Review of Marx's Teaching and Person

If one tries to grasp Marx's total output, and from this his personality, one arrives at a number of similar, more or less uniform main features, as we have already encountered when we discussed individualism: Marx appears in politics as a revolutionary, in science as an evolutionist; in economics as a student of Ricardo and an individualist utopian; in state and social teaching as an optimistic anarchist akin to Rousseau, one whose outlook is entirely determined by compassion and who believes in the mechanical perfection of man: he is a political, economic and pedagogical utopian, at bottom, an a-religious, a-metaphysical, soberly materialistic and positivistic personality; from the Hegelian schooling of his youth he later passed entirely to the Franco-English method of science and from this footing, he conceived the method of his own science: mechanical, atomising. And on the whole: Marx had no truly creative spirit, no genius, because even as a utopian he could not be a man of ultimate clarity; instead ambiguity, even falsehood, clings to his utopianism from the outset, a mixture of pessimism and reckless optimism. The outline we have given can hardly be denied. But the fact that Marx was not a true genius will probably be the most vehemently denied conclusion, in view of the superior authority his teachings exercise today. However, apart from everything else, he lacks a strong flavour, a great inwardness of his own. He is only great in recording and summarising. The ideas found in his teachings are not great in themselves! His analysis of the economic cycle follows Ricardo through and through, surplus value being just another name for Ricardo's "profit", and in

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<sup>268</sup> (Ed.) Marx, K. (1973). Brief an Schweitzer (13/02/1865). *MEW*. Berlin: Dietz, 16.

any case, Godwin<sup>269</sup>, Hall<sup>270</sup> and Thompson<sup>271</sup> already worked with this concept<sup>272</sup>; Rodbertus<sup>273</sup> finds himself simply robbed by Marx<sup>274</sup>; the whole theory of concentration then being in the "Parisian air", can be found in Pecqueur<sup>275</sup> as well as in English literature; Hegel appears through him as the methodological father of historical materialism, the Enlightenment having destroyed all that was great and ideal in Hegel's doctrine; the concept of the class struggle is not new in any sense, Plato<sup>276</sup>, Smith, Lorenz v. Stein<sup>277</sup>, socialist precursors, the historians Niebuhr<sup>278</sup>, Thierry<sup>279</sup>, Guizot<sup>280</sup> had all already discussed it.

A dominant psychological trait of Marx's personality is, in addition to his lust for power and desire to master humanity, compassion. By compassion one can be oriented, but only genius creates. His determinate position was further strengthened by the bitter fate of the exile and, not least, by the oppressed Jew, who unconsciously dwelt in his soul and brought to life in him the anarchist denial of the state, as well as the washed-out humanism, the demand for equality, the unclear ideal of mankind's absolute perfection. The equality psychosis, which determines the direction of life for so many Jews, unconsciously played a major role in his work.

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<sup>269</sup> (Ed.) William Godwin (1756-1836): English political philosopher, considered a forefather of anarchism.

<sup>270</sup> (Ed.) Charles Hall (1740-1825): English social critic whose writings focused on the exploitation of the poor.

<sup>271</sup> (Ed.) William Thompson (1775-1833): Irish political philosopher and proponent of worker cooperatives. He is often considered the first Irish socialist.

<sup>272</sup> See Menger, A. (1906). *Das Recht auf den vollen Arbeitsertrag*. Stuttgart: J. G. Cotta, p.100. Also, the *Briefe und Sozialpolitische Aufsätze von Dr. Rodbertus-Jagetzow* (1895). Berlin: R. Meyer, p.134 (cited by Menger).

<sup>273</sup> (Ed.) Johann Karl Rodbertus (1805-1875): Prussian economist and socialist politician, a pioneer of the idea that profit is theft.

<sup>274</sup> See, for example, the passage concerning *The Currency Question Reviewed* found in Marx, K. *Capital*, Vol. III, p.533.

<sup>275</sup> (Ed.) Charles Constantin Pecqueur (1801-1887): French economist and advocate of collective ownership, as well as a committed internationalist republican.

<sup>276</sup> See, for example, Plato, *The Republic* 551d.

<sup>277</sup> (Ed.) Lorenz von Stein (1815-1890): German economist and sociologist. A constitutional liberal, he is often considered the intellectual father of the welfare state.

<sup>278</sup> (Ed.) Barthold Georg Niebuhr (1776-1831): Danish-German historian of Ancient Rome.

<sup>279</sup> (Ed.) Augustin Thierry (1795-1856): French historian whose work focused on the development of communal governance.

<sup>280</sup> (Ed.) François Pierre Guillaume Guizot (1787-1874): French historian and prime minister, a moderate liberal by conviction.

In addition, we can thirdly discuss his materialism. This is a point of his doctrine as well as an aspect of his nature, which one tends to fleetingly overlook today, explaining that Feuerbach's *Essence of Christianity* (published in 1841)<sup>281</sup>, made the Hegelian Marx a materialist. However, if Marx is viewed as a personality and his doctrine as a cultural force; then here lies the decisive factor. Marxism has emerged as a betrayal of the truth, as a fall of the archangel, as an apostasy from the sublime Kant-Fichte-Hegelian Idealism to a crude positivism and materialism. Marx has left the paradise of mighty German Idealism and landed in the laws of the Feuerbach-Büchner-Darwinian manure heap!<sup>282</sup> In truth, Marx learned nothing from Hegel, he never understood Hegel, he remained a heartless, barren enlightener and mechanic of the four-footed kind.<sup>283</sup> Marx never rose to a truly Idealistic socialism, as we find in Plato and Fichte (even in Lassalle). Such was sustained by the pursuit of greatness and the metaphysical exaltation of life; but Marx's Idealism is external, material to the very core, and has split and torn the working class of Germany from all the higher spirituality of life, from the state, the nation, tradition and religion.

Marx has had a tremendous impact, but he has not become a spiritual leader of humanity. We might first thank him for the effects produced by the proactive, destructive thrust of his teachings, the damage he did to his own age, the smothering of the basic element of enlightened liberalism with a pseudo-Universalism. With the debut of his doctrine, the creep of liberalism and reform was arrested. Therein lay his political impact, but spiritual values he could not give to humanity. In a professional capacity, he cannot, strictly speaking, be called a true expert; essentially, he exposes himself almost as a tinker. For anyone who is a philosophical materialist and positivist, a socialist mechanic, an environmental theorist and disciple of Rousseau, an economist holding to an uncritical, logistical continuity with Ricardo, can still be considered as a sharp-witted man, a great stylist and politician, but he cannot possibly be described as a scholarly expert in the facts. Marx's political moment disturbed our science more than anyone can guess, with hateful platitudes! Thus may one rightly describe the bulk of his theories, his political science and his concept of history. Even his most scientific work, *Das Kapital*, is at the same time a political pamphlet. His writings have therefore unconsciously and consciously bent our science in favour of political purposes. Let us finally stop talking seriously about Marxism as a structurally scientific doctrine.

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<sup>281</sup> (Ed.) Ludwig Andreas von Feuerbach (1804-1872): German philosopher, notable for his critique of Christianity which was influential on both Nietzsche and Marx.

<sup>282</sup> (Ed.) Karl Georg Büchner (1813-1837): Popular German dramatist and poet, a liberal and revolutionary by conviction. Charles Robert Darwin (1809-1882): English naturalist, notable for contributing to and popularising the theory of human evolution.

<sup>283</sup> (Ed.) A German expression meaning coarse or rough.



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In addition, if you take science as the mark of a truly creative nature, there remains an obstacle to genius which, as shown, is only too obvious in Marx's case: materialism. The materialist, the sceptic, is never ingenious because he is cold-hearted. Whoever wishes to lead mankind, must have Eichendorff's great praise, which he addressed to Fouqué:

"Your heart is still growing in the howling woods.  
You still stir with wild great words..."<sup>284</sup>

Thus, only when the soul of man fulfils a basic metaphysical feeling, is the basis for genius given; then alone will he not only accuse but also affirm, not only sympathise but also judge, not only dismiss but also select and build. And so, taken alone, Marx cannot stand even as a thinker (although his intelligence, his great logistical talent, remains untouched); for to be a thinker in the highest sense, as Aristotle says: requires not thinking as such, but thinking with that which is in the highest sense best.<sup>285</sup>

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<sup>284</sup> (Ed.) This extract can be found in full in *Gedichte: Vollständige Ausgabe letzter Hand* 1841 (2016). Berlin: Constumax GmbH & Co., p.104. It is addressed to Friedrich de la Motte Fouqué (1777-1843), a German Romantic writer.

<sup>285</sup> Aristotle, *The Metaphysics* 1072b.

## § 22. The Philosophy of the Wealth of Goods in the Communist Economy & the Principally Higher Yield of Such Goods

We have already argued above (p.143) that the idea of unlimited goods in an ideally organised society is false. Since this idea, cherished by Marx as well as by all utopians, not only haunts Marxist minds but in fact causes the greatest harm, it is necessary to examine it in more detail. Recently, these views have received powerful nourishment, notably through the work of Popper-Lynkeus<sup>286</sup> and Ballod-Atlanticus.<sup>287</sup> Both works are essentially fantastical and dilettante constructions; utopias. Here we limit ourselves to the work of Ballod, which is the more original of the two. Ballod calculated that if anyone works for six years, he will produce enough to be looked after throughout his life! This assertion flies in the face of any modern wage theory, according to which, in general, mass wages indicate only the average portions accorded directly to each person. Conversely, it lends support to the Marxist view, that the immense heist of surplus value from capital in use is the cause of the low standards of living among the masses of today, and their need for lifelong work.

To follow Ballod's pronouncements and calculations would be to grant too much honour to such a blatant aberration, and would take us too far afield. Only the most fundamental mistakes concern us, since these are characteristic of all utopians. The most significant features to be considered are as follows: Ballod allows for a five-year period of liberation (Popper-Lynkeus simply says; after a long transition), before which full socialisation is implemented on the basis of replacing the private means of production, and there would then follow, as already touched upon, a work obligation of six years (or 5 ½ years). The immense capital required for this replacement process is to be raised from the increased productivity of the collectivist mode of production. As if that wasn't enough, this method of production should in fact be infinitely more capital-rich than before. All agricultural enterprises, villa colonies, state owned warehouses

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<sup>286</sup> Popper-Lynkeus, J. (1912). *Die allgemeine Nahrpflicht*. Leipzig: Reissner.

(Ed.) Josef Popper-Lynkeus (1838-1921): Austrian-Jewish scholar who theorised a social system which would provide all the necessities of life.

<sup>287</sup> Balodis, K. (1919). *Zukunftstaat*. Stuttgart: Dietz.

(Ed.) Kārlis Balodis (1864-1931): Latvian statistician specialising in economic demography. He adopted the pseudonym *Atlanticus* for the release of the above-mentioned utopian account of a coming, leisure-based socialist state.

for goods, if not yet on a working railway, would need to be connected. There should, for example, be 36,000 collective farms built in the grandest style, along with 4 to 5 million small houses, and villa colonies with electricity and gas infrastructure, all scattered indiscriminately across the country. Compulsory education is to be extended until the 16<sup>th</sup> year. Where, however, the additional (new) means of production are to come from for all these immense building augmentations, and from where will come the spawning of additional teachers, the increase of teaching material, and all these new amounts of capital, Ballod does not worry himself, and they are either poorly addressed or not addressed at all in his economic plans. In agriculture, Ballod accepts about twice the pre-war yields, which professional authorities have explained to me can only be regarded as top yields in practice, and that they can only be achieved through the combination of particularly favourable circumstances. The modified Norfolk crop rotation according to which Ballod calculated his yields, was described by experts as severely defective (because wintering is contrasted only with a reduced summering, but the two must necessarily complement each other and, in addition, the clover's too-frequent return results in clover fatigue).<sup>288</sup>

What can one say about the smooth implementation of machine labour in agriculture, to follow the total abolition of cattle labour, given that it is well known that not all machines are rationally applicable on every terrain? Or what can one say, when Ballod claims that the province of Lower Austria, by organising its agriculture according to his plan, would be able to feed the entire population, including that of Vienna, on its own? Whether mountain ranges, altitudes, soil conditions or landscapes render such yields possible does not bother him in the least. He dismisses this little thing with the words: "the mountains don't interfere too much!" But the Viennese know only too well that apart from the Tulln and Vienna Basins, the greater part of Lower Austria is mountainous and poorly suited for high-intensity farming. That a writer like Ballod, who does not even muster enough intellectual power to understand the inescapably logical law of diminishing return on land use, but instead adopts a law of increasing return, is also incapable of calculating the entire economy (a task no person could accomplish with respect to the future) is clear as day. Perhaps even more outrageous than his agricultural calculations are his commercial ones. In fact, he only presents a calculation of the labour force here; he does not even give an examination of the prospective raw materials balance; indeed, the immense raw material importation of Germany is hardly considered. But the balance of the workforce itself is set up thoughtlessly enough. Suppose every man only has to work six years in order to be idle for the rest of his life;

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<sup>288</sup> (Ed.) The Norfolk four-course rotation was a key aspect of Britain's Agricultural Revolution, replacing the fallow year with the planting of clover to rejuvenate the soil. While the innovation was initially celebrated, as early as the late 18<sup>th</sup> century, it was largely concluded that it did not increase long-term crop yields.

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where do doctors, lawyers, engineers, senior civil servants, middle and high school teachers come from, who have to go through more than six years of education (beyond standard compulsory education)? Ballod wants distribution to be based on the right to full labour income (not equality), evidently intending that the higher income awarded to intellectual labourers will provide incentive for that energetic development and effort necessary for education in an intellectual vocation. We could entertain such a notion if the working period was not significantly shorter than the time spent in education. Even children know that a medical specialist, a fully qualified technician or a high-ranking judge, after finishing high school, has to spend at least six to eight years in university, in a clinic, or in pre-practice before reasonably concluding his education. Should people who take on such 6-8 or 12 years of education still follow the 6-year work obligation? The whole thing is all the more contradictory, as Ballod presupposes in all this, that his agricultural and industrial enterprises are principally run by academically educated professionals.



Now, perhaps one could attribute these and similar mistakes in calculation to individual errors of omission or the particular stupidity of the author concerned. In order for this objection to lose any semblance of probative force, let us also delve into the fundamental mistakes that underlie such calculations.

The fundamental error here is the assumption of the essential superiority of the large enterprise over the small enterprise, and (something which is not entirely the same) of the intensive enterprise over the extensive one. To the contrary, it must be said that the economic theoretician's ABC is that there is only a relative excellence of different modes of operation, that is, no unconditional superiority of the large enterprise over the small, the gigantic over the large, nor even the intensive over the extensive exists. As far as agriculture is concerned, it is known that no farm size is automatically superior to the others, but that, for certain crops and products, each enterprise will have its own distinct capacity. (In fact, as it happens, the medium-sized enterprise, as the most superior generally in agriculture, is unstoppable). And as far as the types of operation are concerned (whether grain, livestock or forestry), Thünen has unambiguously and irrefutably proved their relative validity ("Thünen's Law"). In agriculture, only at high prices is the intensive industry superior.<sup>289</sup> For example, the best location for cereals according to price ratio may not necessarily be where the most intensive industry would work best, this being true only insofar as the price level allows for it; otherwise less intensive industry

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<sup>289</sup> Thünen says, in a market-oriented economy, which means higher prices.



will be preferable, i.e. leaving more land to nature.<sup>290</sup> In manufacturing, it is not the price, but ultimately, as we already explained above on pp.140-141, the large or the small market which is decisive in the determination of ideal operating scope and mode, and thus also of intensity. Above, we gave the example of Pohle's mill, which is economically suited for the large market as a steam-mill, and for the small market as a little water-mill. But there are also purely technical boundaries for the economically desirable upper limit of any large enterprise. If, for example, in shoe production the number of distinct machine operations were one hundred, this would entail a technically ideal size for the business, but this size might not be feasible due to a small market, a lack of capital or a lack of purchasing power on the part of customers, and yet still, this ideal size cannot be compromised without incurring increased costs of production. Not even in the purely technical sense then, can one randomly replace big enterprises with even larger ones. The big enterprise is not quantitatively superior to the small but is something qualitatively different. Big enterprises and small enterprises are distinguished through different organic compositions, not mechanical size. The intensity of capital expenditure in particular (upon which not only the size but also the productivity of the enterprise substantially depends) is again determined by the prevailing interest rate (and in the end, this is a product of the capital wealth available in the economy). At a low interest rate, machine application is more rewarding, i.e. more economical, than at a high interest rate. The capital expenditure that proves economical in one country, in one epoch, at one level of prosperity and population density, can turn out to be uneconomical and impossible in a poorer country, at a different level of prosperity, or with a growing population. The relationship between wages and the price of capital is also crucial for machine application. Of all these considerations, you'll find no sign in the writings of Ballod.

Here lies the second fundamental error (already mentioned above, pp.140-141) of the Ballodian utopia: the presupposition of a virtually unlimited supply of capital. Ballod (like all writers of a similar persuasion) assumes the existence of only ideal enterprises, endowed with the most abundant capital. Ballod wants, as we have seen above, to restructure in a very short amount of time the entire productive apparatus of the economy, making use of the highest capital expenditure, not only without showing from where so much capital could emerge, but also without taking into account the increasing population in the interim, which would devour considerable portions of any surplus national capital, so that the costs of the population growth in terms of education expenses and capitalisation are met. Thus, according to Ballod, to select just one example from many, about 250,000 barns with glass roofs, distributed over the whole country, are to be built for the nationalisation of agriculture. Ballod calculates

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<sup>290</sup> For a more thorough account, see my *Types of Economic Theory*, pp.171-174.

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the prices of these glass roofs only according to the prevailing price level. But where is so much glass to come from? There would have to be many new glass factories to create it. New, less favourable locations for such factories would have to be selected: here, raw materials would be scarcer, thus more expensive, more valuable. Consequently, even if there were sufficient capital, the production of glass roofs would only be possible with substantial surcharges. But now to the amount of capital itself. It is not just a question of creating so many glass roofs, but also the additional factories, the additional machinery and tools, the additional glassworkers' hands, the additional machinists' hands, the additional means of transport and all the other additional, complementary means of production which are by no means in abundance. Then we have a third point, entirely overlooked by these advocates of such limitless capital.

If production were to be transformed into a series of capital-rich, purely ideal enterprises, all the cost elements of production and circulation would undergo enormous increases and internal shifts. Capital becomes scarcer, i.e. it can only be applied in abundance to the most important (worthwhile) sectors; raw materials become scarcer, i.e. they may only be supplied in abundance to the most important (worthwhile) sectors. A modified distribution of all raw materials and means of production would be the result of any move from the present state of production to the concentration of ideal enterprises, and as such: a modified grouping of all economic forces (naturally, owing to different prices). On the other hand, this means again: the yield of model enterprises cannot be taken as the basis for assumptions everywhere; because not all enterprises in the economy can be considered to receive an identical capital endowment!<sup>291</sup> But you cannot achieve the same yield as the present technical model enterprises in any other way. These technical model enterprises simply are not, in all situations, economical model enterprises. The simple country mill can be the economical model enterprise even when set against the most modern steam-mill, as we have seen.<sup>292</sup>

As a closely related, fourth, fundamental error, we can add the assumption of an unlimited abundance of labour. By presupposing the same level of worker skill, training and labour efficiency as found in model enterprises, no consideration is given to the fact that working hands (skilled workmen) are first of all a scarce commodity, and second, one which is most varied along a gradient of quality. Model enterprises have at their disposal the most efficient managers, the best foremen and technicians, the best workers and skillsets. Obviously not all enterprises in the country come across equally good managers, technicians and workers. In addition, the organisational and technical

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<sup>291</sup> (Tr.) Spann shifts into using the term *Musterbetrieb* rather than *Idealbetrieb* here, but the meaning is the same, that is, enterprises with optimum attributes.

<sup>292</sup> See p.140.

structure of the model enterprise is necessarily an exception. Not all enterprises can have the best locations; not all can have the best connections to their purchase and sales markets, or an equally effective internal arrangement ("business combinations"). These things are the attributes of model enterprises. In principle, they are superior enterprises only because of such exceptional attributes, and not because of chance. Again, atomisation is the same root cause of the error. To what little extent enterprises share the same scope, the same economic and technical nature can be readily demonstrated, for example, the known effects of tariff reductions see the closures of plants due to cartelisation and all similar phenomena: the weakest enterprises are constantly swept away, the enterprises in every branch of industry always appearing stratified, differentiated, distinct according to productivity levels for a hundred necessary reasons. Natural resources, traffic conditions, long-established skillsets, means of transport, market proximity and distance, market size, material proximity and distance, capital strength, start-up costs, historical prerequisites of all kinds; these are the only irrefutable reasons which cause such stratification. Just think of the differences in the conditions faced by heavy industry in Westphalia, Upper Silesia and Styria! There is iron and coal together, here only coal, there only iron. Of all such differences, our utopians, by beating everything about the last<sup>293</sup>, give no account.

From these fundamental considerations one can conclude: the calculations that support the expectation of an immense wealth of commodities based on prospective, ideal production are castles in the sky. They are like those mathematical games that seek to demonstrate how much a penny, invested with interest at the time of Christ's birth, could be capitalised for today. Capitalisation on such an account would be impossible, because the abundance of capital resulting from the accumulation of compounded interest would depress the interest used in calculating the unnatural increase in return. Just so with our socialist wealth enthusiasts. They posit prerequisites that cannot be realised, because they would gradually, necessarily generate counter-conditions which would negate them.

Of the most general significance, however, is the misconception that the organised economy features a fundamentally superior level of productivity as compared to the capitalist economy. We have repeatedly had to deal with this error (see above, pp.92, 118-119 and 142-143). Here, only the essentials should be emphasised: where the economy is officiated, even while it has the advantages of constancy and inner simplicity ("typification" and "normalisation" are here natural phenomena, and in this respect a superiority is

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<sup>293</sup> (Ed.) A last is a mechanical form shaped like a human foot and used by cobblers to manufacture and repair shoes. The mark of an unskilled cobbler would be to 'beat about the last' rather than take exact foot measurements, making shoes of only standardised sizes.



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gained over the fragmented, free economy); but efficiency is lacking, the strong tension of all forces and the rapid adaptation to the changing conditions of the economy are absent. They are replaced by bureaucratisation (no Taylor system<sup>294</sup>, no wage regime can remedy this). Above all, it lacks the capacity for economic advancement. It remains relatively simple, in a purely technical sense, to create a new invention. More difficult is introducing such an invention into the old economy. This can only find success if a whole range of techniques, production methods, trading activities, consumption habits, capital applications, labour applications, etc. are changed, in short, if a wide radius of the previously existing economy is rebuilt, is transformed, and we shall take the railway as just one example here. Such a thing could not be easily built in the collective economy, because: the invention of the locomotive would by no means enable the construction of a railway. First of all, an infinite number of complementary machines, procedures, labour skills, and auxiliary trades would need to be created. The machines and workers who build locomotives, the foundries, lathes, engineers who build the auxiliary machines, auxiliary equipment, auxiliary materials. The apparatus for the construction of the carriage, the production of rails and much, much more would need to be newly built. But when we proceed to the actual construction of the railway, consider that thousands of wagon manufacturers, holiday inns and hostels, farriers and wagon smiths have to be shut down, and thousands of factories must change or abandon their previously local sphere of activity. The same is true in the micro. The bicycle, for example, may be invented, but hundreds of complementary machines, products, and operations must first be created to make it viable (sellable in a mass market). If department A invents a finished product in the centralised, socialised economy, then departments B through X must first be consulted, petitioned for their involvement, in order to provide the necessary auxiliary equipment, auxiliary materials, adaptations, labour approach, labour compensation, the acquisition of labour, capital repayment waivers and replacements, recalculations and conversions which need to be performed! Every invention will concern every department and every calculation of the centralised, planned economy. And if all the senior officials and workers affected must take a stand and agree, one can imagine what destiny awaits in terms of economic advancement. Even in a favourably organised economy, where one guild or guild group essentially does not have to consult the other, economic advancement will still be partially inhibited as compared to today's state of absolute freedom.

Once again, it must be pointed out that the necessary modifier of the ultimate driving force of the economy in a socialist state is the approval of

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<sup>294</sup> (Ed.) The system developed by American engineer, Frederick Winslow Taylor (1856-1915), often called *scientific management*, which aims to improve efficiency and productivity through optimising workflows.



officials. Even if the civil servants, as diligent and dutiful people, do all their work; an ideal that can be achieved in Germany, as has been shown by the Prussian railways; the yield and qualitative efficiency of this collective economy will be much lower than in a free economy, due to clumsiness, confusion, organisational errors and rigidity. (We have already said above that the advancement of such an economy will be far less than we see today). The official does his duty, but the entrepreneur does more than that. The official implements regulations, the entrepreneur works constantly, incessantly creating new things. Imagine what 100,000 dutiful senior officials would do in the planned economy and what 100,000 entrepreneurs would do in the capitalist economy. These entrepreneurs rationally, so to speak, have no other purpose and aspiration, day and night, than to make their factories and enterprises worthwhile, and to gain further advantage over competitors, or at least to not fall behind. They are constantly looking for the best locations, procedures and forms of organisation, the best managers, technicians, foremen, workers' pay agreements, the cheapest raw materials and cost elements for their factories; and those who succeed then set the standard for which even the weaker must strive. It can be imagined that the socialised economy would be just as productive as the capitalist one (for example, if the government took over already well-run, cartelised enterprises), and that certain simplifications ("typification", "normalisation") would even gift it with strong assets; but one cannot imagine that adaptation to the continuous changes in economic conditions (to changes in raw materials, cost elements, sales and price relationships, traffic conditions) would even be nearly as flexible, and even less that economic advancement would be approximately the same. The power which takes the form of the entrepreneurs and economic leaders in the capitalist economy, who are restructuring and improving the economy every hour, is a power which is not available to the bureaucratised economy.

The wealth which Marx, Popper, Ballod (and now also Rathenau)<sup>295</sup> dream of, would not only fail to materialise under collectivised production, but an even greater scarcity of goods would in fact follow. It must be known that with the collectivisation of production, one jettisons the infinite number of economic forces that were formerly put into service in the form of thousands of competitive, free, creative, individual egoisms. An essentially better distribution can be achieved through collectivisation, but we would be poorer. We have already recognised this from the purely spiritual side and found the "golden scale of history" in it. (See above, pp.87 and 92-93).

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<sup>295</sup> (Ed.) Walther Rathenau (1867-1922): German-Jewish foreign minister after WWI, having previously organised the war economy. After renouncing German territorial claims, he was assassinated by the right-wing *Organisation Consul*, of which Spann's would-be student, Ernst von Salomon, was a member.

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With all that has been said, we have not even addressed the fundamental difficulties faced by a centrally planned economy. We have referred above (p.143) to the pure transport economy and the centrally planned economy as utopian forms of economy. The specific obstacles to the planned economy are: firstly, the economic calculations<sup>296</sup>, secondly, monetary application, and thirdly, the principles of distribution. For if it is not the hours of labour which determine the price of a commodity (as Marx believed), but scarcity and utility, then we can no longer easily certify these labour hours in paper form, with such certifications serving as “money”; and the collective economy must necessarily become the allocation economy. This means that a transition must occur away from the principle of distribution based on the “right to the full product of one’s labour” as technically unworkable, to the “right to an equal existence”, through allocation.

To elaborate on this would go beyond the scope of our present work. However, in closing, and in order to let reality speak against all the fantasies presented above, we reproduce for the case of “distribution”, data compiled by Cassel from the statistical assessment of Prussian income and wealth tax for 1897/98.<sup>297</sup> Cassel explains: the total income of those assessed was 7 billion marks, among a taxable population of 10.6 million people. Set aside 200 marks per head at the outset (to reach the average income of the non-taxable population), and this amounts to about 2 billion marks. Of the remaining 5 billion, the cost of capital increase, the education of youth for higher professions and similar social pursuits have to be accounted for, which (according to Prussian statistics) are estimated to be at least 3 billion. For an equal distribution among the total population of 31.85 million there remains a final sum of 2

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<sup>296</sup> Mises, L. (1990). *Economic Calculation in the Socialist Commonwealth*. Auburn, AL: Mises Institute, pp.11-12 shows that economic calculation with prices presupposes two conditions. Not only the goods of the first order, but also the goods of the higher order, must be in exchange, so that exchange relationships of such goods are formed, and a commonly used medium of exchange, money, must be used so that it becomes possible to evaluate all exchange relationships with a common denominator. Since these preconditions would be lacking in the socialist community, economic accounting and thus economic activity will be entirely impossible. Mises would be wrong if, like the economic planner Neurath, you believe that you can get over these difficulties by using “natural accounting”; natural accounting fails in the traffic-free economy when applied to all goods of a higher order, with no way to evaluate using a common denominator. For the same reason, according to Mises, Lenin’s attempt to solve these difficulties by means of “statistics” failed, and it was a visible admission of this failure when he reintroduced “bourgeois” bookkeeping, which calculates using money, into the Soviet factories, thus being ready to grant exemptions to “bourgeois specialists”.

(Ed.) Ludwig Heinrich Edler von Mises (1881-1973): Austrian-Jewish economist. A scathing critic of socialism, he was a prolific advocate for unregulated markets.

<sup>297</sup> Cassel, G. (1900). *Recht auf den vollen Arbeitsvertrag*. p.145 and especially 147.

billion marks. That's 60 marks extra per head! A total income of 260 marks per head, or 1222 marks for the average household of 4.7 persons, is actually lower than the income you will generally find among the better off of today's<sup>298</sup> skilled workers. Such a distribution of income would, Cassel says, "affect the whole elite of the current labour force, not to mention that hopes of any higher culture would be at risk".<sup>299</sup>

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<sup>298</sup> Applies to the period around 1900.

<sup>299</sup> Ibid., p.149.

## § 23. Summary of the Inner Direction & Political Idea Content of our Age

We have traced the spiritual foundations of our age in its individualist, Universalist and socialist forms; we have looked at the crises of this age, the political crisis or crisis of democracy, the economic crisis or crisis of capitalism, and additionally, we have seen for ourselves the crisis of the greatest reform movement, the crisis of Marxism; and with all this we have been given an overview of the turmoil afflicting our entire era, which, ultimately stems from the struggle for unity. We thus recognise profound philosophical upheaval as a feature of our zeitgeist. Positivism, empiricism, relativism; all of them, these inseparable companions and causes of individualism, are gradually giving way to an ever more serious, ever more potent metaphysical course, a yearning for inwardness. Politically speaking, this expresses itself in a true Janus-face of individualism and Universalism, everywhere characterising our zeitgeist, this conflict of two hostile worlds. And it is, in appearance, a rather inorganic, almost chaotic opposition. Our age wants to socialise and at the same time it cries out: "Freie Bahn dem Tüchtigen!"<sup>300</sup> It wants the most liberal democracy and at the same time the most far-reaching state intervention, it wants the liberty state and at the same time the culture state, charged with overseeing everything, leading and regulating in all spheres.

Thus, for our first observation we can assert: our zeitgeist contains two great conceptual circles, individualism and Universalism, which contradict each other in an inorganic way; and once again, Marxism is a mixture of both. Thus, the first great feature of the political ideas of our age is the double, intertwined conflict of individualistic and Universalistic thinking.

We can examine this picture in terms of structure (morphology) and genetics. Structurally, it is the conflict of individualist and Universalist thought groups and parties: the free economy, free trade, natural law, liberalism, democracy, cosmopolitanism; Romanticism, social policy, the organic state conception, völkisch thought; and Marxism repeats the same opposition within itself: democracy, revolution, free association, absence of the rule of men over men; the collectivisation of the economy, historically bound, unambiguously fluid development. We have all absorbed these oppositions with our breast milk;

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<sup>300</sup> (Ed.) De: *Make way for the industrious!* This quote comes from a 1916 speech by Theobald von Bethmann-Hollweg (1856-1921), who served as Chancellor of the German Empire from 1906 to 1917.



only in this way can it be explained how we tolerate them psychologically today to any degree, for they appear to offer a logical disunity par excellence.

The genetic picture, however, is more comforting. The French Revolution was, as we saw, the victory of individualism. But our present revolution is determined by different elements: in its hybrid form, Marxism! And yet Marxism has given victory first to its individualist elements. Its first act was the completion of democracy; pacifism, cosmopolitanism, anti-militarism have triumphed (to all appearances). But at the same time the mask has slipped. How could that which fought primarily under the Universalist flag, realise democracy as its greatest and hastiest act? The innermost cause of this is the fallibility, the weakness of the Universalist elements in Marxism. These latter have been realised almost exclusively in sociopolitical forms (the eight-hour workday and the like), that is, in a rather moderate form.<sup>301</sup>

By these facts our present moment is determined. We have experienced the grotesque spectacle of an age in which Marxism wanted to make a Universalist revolution but made an individualist (democratic) one instead. Up to the present hour, individualism continues to progress in our external life, democratisation follows democratisation; but still, this is no true victory, but a pyrrhic victory, after which come the words: "Another such victory and I am lost." Marx fought under the mask of Universalism and won, but he served individualist purposes. Today's victory of individualism was, in the deepest sense, made erroneously, as strange as that may sound.

But herein lies at the same time all the consolation of the present moment, and the emblem of the change which our time has sustained throughout the entire course of things: that Marxism could only triumph under the mask of Universalism. This event, "the completion of democracy through error", shines light on the inner weakness of Marxism, it loudly tells us that Marxism will fail as a matter of inner necessity in the future. And this process of failure begins today and now before our eyes. It happened, something rarely found in history: the victorious party split at the moment of victory because it was completely helpless in its task of realising socialism. Marxism fails, it shows that it is not what it promised nor what the spirit of our times demands. And this happened to an ideology and party that has so many devoted members, indeed, martyrs of conviction in its ranks.

Thus, the meaning of the division of Marxism into Bolsheviks or Communists and Majority Socialists becomes clear. The Bolsheviks first threw the democratic idea overboard. With their workers' councils, with the dictatorship, they have grasped the sound idea of the rule of the good (not the vote on the good as democracy wants it); fatalistic causal-evolutionism has been

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<sup>301</sup> (Ed.) Note that Spann is here focusing on the victory of social-democratic forces in Central Europe after WWI, and the splintering of the political left that directly followed.

abandoned, and in fact, historical materialism itself has been thrown overboard, the Idea and its action being reinstated in history as their own driving force, thus overcoming the terrible economisation of life demanded by historical materialism; they have also broken Marxism inwardly from a completely different angle, that of the religious concept. In Bolshevism lies a piece of Tolstoy<sup>302</sup>, an open commitment to metaphysics, but in an Asiatic form, which is openly against the Western tradition: Tolstoy was educated (this word understood in a higher sense), anti-government, hostile to civilisation, seeking a return to nature, to something akin to a primitive Christianity. What had been declared the worst enemy of Marxism, what was called clericalism, “ideological fraud”, dumbing down, has now entered the circle of these men. The metaphysical is achieved, man lives again in sympathy with an Idea! From a purely economic point of view, the idea of the council itself contains a strong germ of corporatist development (something not really egalitarian-communist), by summarising the equals as one. (See below, pp.253-254). In general, one cannot deny the Bolsheviks’ acknowledgment that they seek to emphasise the idea of life itself, that they want to emphasise something inward in life, while the old Marxists are still quite sure of its economisation and materialisation, the ideas which animate historical materialism. But the satanic thing about this, as well as every Bolshevism in history, is its shattering of all tradition, of all education, and its sincere desire to start from scratch. But here, we must call the child by his name, this concept of culture and society held by “little Moritz”.<sup>303</sup> Any culture that wants to start from scratch can only ever be extremely primitive.

The Majority Socialists, on the other hand, still have the verbiage of Marxism and the desire for its implementation, but in practical terms they act just like any radical social-political party. They save today’s society from Bolshevik annihilation by repeatedly postponing so many of the essentials, so that fundamentally different things emerge in their absence. Here too, the departure from practical communism is strangely accompanied by a marked move towards the estates system. Take a look at the socialisation programme of the Austrian Social Democratic Party, which was drafted by the far left Otto Bauer<sup>304</sup>: there is no longer any communist socialisation programme mentioned, i.e. one based on centralisation, on the collectivisation of the means

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<sup>302</sup> (Ed.) Leo Tolstoy (1828-1910): Russian writer, commonly regarded as one of the greatest in history due to novels such as *War and Peace* and *Anna Karenina*.

<sup>303</sup> (Ed.) A stock character in self-deprecating Jewish jokes, popular with Germans at the time. Little Moritz was a young, impudent smart aleck, onto whom were projected the negative characteristics of Jewish adults as a form of satire.

<sup>304</sup> (Ed.) Otto Bauer (1881-1938): Austrian foreign minister under the 1918-19 Social Democratic chancellorship.

of production; but instead a clear move towards trade associations, the corporatist organisation for the betterment of the economy.

And so today we do not find one Marxism, but two independent parties heading in independent directions. It was unimaginable that at the moment of victory such an inner split could occur. Incidentally, on both sides of the divide, the simultaneous move towards more Universalism, after shaking off individualism, is to be observed.

All in all, we may judge the course of the revolution with some hope. Despite the external victory of individualism, this revolution is the first great struggle between mankind and the Renaissance, a struggle which seeks to eliminate individualism. The spiritual in us wants to return from the solitude and poverty of the independent individual. The inner life, which must be a life of mutuality, wants to live again, wants to come to the fore again, against the free economy, utility and externality.

For that very reason, however, we must not imagine that this revolution is over. For these things are not the birth itself, but only the birth pangs of Universalism, which in our time now twitches and writhes. The great downfall of Marxism, of all the socialist yearnings of the masses, is still to take place, and the tremendous disappointment of the working class has yet to be experienced; above all, however, we await their de-economisation, their dematerialisation. The working class was told daily: all that you consider true and good is not so in itself; it is the invention of class rule, of class law, of bourgeois ideology, of exploitative racialism; but now they suddenly realise this isn't the case, that theft, deceit, misdeeds did not prevail everywhere where hardship squeezed existence. We must first experience this hangover, this shaking off of error, this spiritual downfall of Marxism, in order to build on solid ground. What has outwardly triumphed in the revolution is still the individualistic trend, while what has internally led to this victory is the social Idea; however, this same Idea is that of the Universalist tendency, of the Universalist instinct. May there be further backlash, may communist-anarchist upheavals also come: the social, the Universalist Idea has triumphed, and it will continue to conquer, to emerge from every struggle, from every fire, in a purer, more refined form, repudiating individualistic forms, spiritualising the material, advancing the recognition of a supra-individual as its banner. The first great step towards inner conversion has been made, the new attitude of the spirit is in the process of initiating a return to the great, although not yet complete, German Idealism. By returning to our bonds, to totality, we have broken the individualistic fetters of the mind and are now faced with a de-rationalisation and de-economisation of life. Only when this process is complete will the state, economy, and society be given the form necessary for the higher spiritual content of life, only then will matter be mastered by the spirit.

# Third Synthesizing Part

“Equality among equals”

“Subordination of the spiritually lower to the spiritually higher”

- These are the laws upon which the true state is built



## § 24. Arguments

Having rejected in all previous investigations the individualist principles as unfit for the development of society, instead recognising the Universal as true, as we arrive at the constructive portion of our investigations, the decisive question arises: what is the society and state form which has an internal identity with the Universalist viewpoint?

We answer this question in the following declarations or arguments (theses), the proof and application of which will be the responsibility of later chapters. In order to proceed in this fashion, we must again conduct a conceptual examination of the definition of the state, in order that we might finally arrive at a treatment of tangible structures and actions. For the sake of clarity, we will lay out the basic features of the Universalist state order in opposition to its individualist counterpart, and therefore repeat initially all of the characteristic, basic features of the natural law-based individualist order already known to us. The basic features of this individualist order are as follows:

1. It is atomistic; i.e.

a) every member of the state and of society is equal and of equal value to another (homogeneous and equipollent, in obedience to the principle of equality);

b) the existing, spiritually essential life of each individual is self-generated from within, in the final analysis having the attributes of spiritual isolation and self-sufficiency.

2. The state structure is therefore necessarily centralised and immediate. For because of the equality of individual citizens, there is necessarily only one state authority, with which every citizen is in an immediate (direct) relationship; the principle of equality demands that all citizens relate to the same government, and this again requires the immediacy of the relationship. We have referred to these facts by the oft-repeated phrase, "one people, one government".

In contrast to this is the Universalist view. If it is well thought through it does not require communism (which we have become familiar with as crypto-atomism and a utopian economic form); but a society that affirms inequality exactly according to the nature of the thing in question, and to its credit, in doing so spiritually and economically brings to bear the constructive law of justice:

## *The True State*

“to each his own”. This inequality, derived from the nature of things, is realised in the following principles as the constructive laws of society:

**1.** Organic inequality instead of the atomistic equality of parts; i.e.:

- a) the unequal functions of each component of society, but
- b) their equal importance (equivalence) in the achievement of societal goals. It is a property of the organism that, for a given total output (for example, a certain level of health and wellbeing), the performance of all parts is of unequal quality even while each is equally important. But this equality of importance is only possible through mutual arrangement, correspondence, a well-defined inequality. (Organic or structural inequality, or the principle of correspondence between unequals); and then finally
- c) an equality of means implies an equality of contribution.

**2.** Hierarchy or a disparity in status, in short, the inequality of value between parts. (The saint is more valuable than the sinner: the principle of worth or absolute inequality).

**3.** The parts of society do not consist of separate (isolated) individuals, but only of communities themselves, and it is only with regard to such communities that individuals gain existence through integration. Furthermore, the basic purpose of these communities is to be part of an overriding spiritual totality, and this means, once again, to obtain the status of estates, of parts of the totality. This results in:

- a) the constructive law of the class structure as opposed to centralised unity;
- b) the constructive law of mediativity instead of immediacy; and
- c) the organisation of parts rather than their mechanistic and atomistic isolation.

Explanation, proof and application will follow later. Here, we must present in advance only a general verdict on the difference between the organism and the state in the Universalist view of society, in order to eliminate the error which says that there can be a seamless application of the organism concept to society, arising because a multitude of Universalist aspirations are generally referred to as “organic conceptions”.

## Arguments

Now for an explanatory supplement on the difference between the organism and society. It is not enough to contrast the atomistic conception with an "organic" one in order to overcome the mechanics of individualism, for the organism itself is only a liminal stage between the machine and society (the state). Society can still discern a very mechanical appearance on the part of the organism, because it is possessed of greater spirit!

In the organism I would like to highlight, as already mentioned in point 1 above:

1. The purposeful inequality of the parts. According to design, this means coordination, mutual association (correlation, correspondence). So, the heart and lungs, stomach and intestine are coordinated. This reciprocity is a transcendence of the atomistic and therefore the mechanistic, but at the same time it is part of the purely physical nature of the organic. It is in fact the "organic" element of the living body, and it establishes the "organic inequality" in its parts. The same property of organic inequality is found in society, considered in its morphological-anatomical components, for example, artists and the public, priests and laity, warriors and citizens, entrepreneurs and workers, agriculture and trade.

2. This corresponding, correlative, "organic" inequality is nevertheless bound up with the equal importance of all organs, but only at a certain level of performance. The "organs", according to their idea, are performance units. The heart pumps the blood to animate, the lungs refresh the body through respiration, etc. This interplay, this edifice of work, has the basic property, at every level of its effects (the effect of the last extension of an organ, for example, the last pulmonary vesicle), of being equally important if a certain level of overall performance is envisaged. For a certain level of "health," "wellbeing," "freshness," or the like, it is not only necessary that the heart, lungs, central nervous system, and similar absolutely vital organs (performance units) do their part ("function"), but also that the smallest muscle group, the smallest limb, shows up and pitches in with a perfect performance. The last alveoli, the last heart muscle, and the last muscle of the little finger are all indispensable to that particular degree of health and wellbeing. But if you descend to a lower level of performance, i.e. merely the "preservation of the ability to work" or even "to continue living", the various organs are of course not equally important, since the little finger, some alveoli etc. can probably be dispensed with, while the heart and certain centres of the cerebrum cannot be. However, if we again adopt the assumption of an overall healthy status (i.e. all faculties), the contributions of all organs prove to be equally important. The same attribute of the equality of all parties can be found in society, if it is considered as an edifice of work. Here too, the last worker (labourer), the last warrior, the last priest, the last civil servant must make his contribution,

otherwise the overall standard of life will suffer, these contributions, therefore, proving to be of equal importance to those of the leading economists, statesmen, princes of the church and artists, but of course: only when things are measured at this overall level.<sup>305</sup>

3. What the organism does not possess, however, is the spirit, that is, the intrinsic value of every member, every component. Blood, nutrients, bones may always be distinct (unequal), but in themselves they are neither valuable nor worthless, just as air compared to stone represents neither value nor worthlessness. The same cannot be said for members of society: workers, entrepreneurs, priests, laity, artists, audiences, royalty, citizens, drunk, sober, zealous, lacklustre, in terms of their spirituality all possess something of a unique value. This value may be variously assessed depending on whether the assessor is Christian or heathen, pious or godless, good or evil, but everyone nevertheless must take stock of it. The spiritual, therefore, as the most necessary, the most indispensable form of existence, has a value in and of itself. In terms of this property of value, every component of society is unequal in its importance, because it is no longer considered part of an edifice of work, but a value contribution to a total deposit of value, i.e.: holiness or criminality on the scale of morality, truth or falsehood on the scale of truth. We will see below on pp.187-188 how we grapple with this relation to the spiritual world, i.e. how that which belongs to the world of values, the cosmos of values, will find itself in an opposition of the lower and the higher. Here it is sufficient to distinguish this inequality as polar, absolute, or rather to distinguish the inequality of value from the merely structural-organic inequality. The common worth of each member of society results in its layerability according to values and, with the compulsion for valuation comes the compulsion to stratify the social elements. Society, as a totality of values, is a truly intelligible being, its value component being an intelligible, a priori contribution to totality.

With respect to the above, the organism can be called a super-mechanism, while society is a super-organism.

With this preview out of the way, we return to our investigation.

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<sup>305</sup> For more on this, see my *Fundament der Volkswirtschaftslehre*, § 2 and 31.



## § 25. The Internal Homogeneity of the Community

By turning from the critical consideration of our era's political ideas and from the contemplation of society's demolition to its reconstruction, we must build on the basic sociological approach we outlined at the beginning, the doctrine of the community. Previously, we have made it very clear what the essence of the community is: it is the spiritual exchange, the supra-individual that lies therein, what constitutes all that is truly fruitful and essential in our lives, which imbues our life with sociality as a fundamental, essential form.

Now, there is the further, more concrete question that should concern us: between whom is community (*gezweigung*) possible? The answer is: between like-minded people; not between perfectly equal beings but like-minded beings who complement each other in some sense, that is, beings who maintain some contrast with each other. Community forms through dissimilarity within common identity. Above all, friendship means: to give something to one another, to be something that would not be possible if everyone had at their disposal what others had. Accordingly, we see how the most essential communal relationships are designed to complement each other: mother and child, teacher and student, artist and audience, priest and layman, researcher and school. It will always be found that any community is, in a substantial sense, a complementary community for the participants, in addition to being a coming together of similarities. The insight that likeness, similarity is the precondition for the formation of spiritual community, is a fundamental truth of social teaching, a fundamental insight without which a deeper analysis of social matters is usually impossible. I would like to call this phenomenon the law of internal homogeneity or the homogeneity of communities.

From this law follows another basic insight. If community is possible only due to a certain spiritual similarity, then living, formative communities are always small. For there can only ever be a small number of people who are similar, who intimately merge into each other and at the same time bring with them a diversity fruitful for community building. I would like to call this phenomenon the law of the smallness of communities. The law of the smallness of communities follows directly from the basic fact of the commonality found in communities.

But if there is a law of the smallness of communities, society must initially, in terms of its construction from spiritual communities, present a picture of excessive fracturing! And indeed, looking back on experience, we find the most curious separation and fragmentation of communities, and therefore of the

people who belong to them. The free-thinkers may meet in one room of an inn, and in the other the Catholic journeymen's associations; in one the opponents of vaccination, in the other the doctors who demand its implementation as mandatory; here the conservatives, there the radical liberals and democrats; here the pacifists, there imperialist nationalists; here the Neo-Malthusians who regard sexual intercourse as a purely hygienic question and a private matter, there the religious morality associations; here the spiritualists, there the materialists; here the vegetarians, there the (carnivorous) athletes club; here are the butterfly collectors who find joy in the small, there the party leaders with their eyes looking into the distance; here the popular assemblies, there the Masonic lodge with its secret, initiatory ways; here the regular meeting of the savings club<sup>306</sup>, there the supremely wasteful gamblers' society; here the artists, there the Banausos<sup>307</sup>; all of these circles may not be mutually hostile, but they are something more, they are entirely alien to each other! But what is even more astonishing, this unfamiliarity seems to grow the closer these groups are to each other. The fact that artists and philistines don't understand each other is hardly surprising, but what can one say about the clubs for Cubists and Futurists, Impressionists and Expressionists, moth collectors and butterfly collectors, the admirers of Richard Strauss<sup>308</sup> and Schoenberg<sup>309</sup>, that these no longer understand each other! Inwardly they hardly know each other, indeed, one has contempt for the other! All these little communities are alien to each other, as if they came down from the moon.

The law of the smallness of homogeneous communities corresponds to the division of society into relatively disjointed, alienated communities, subgroups and constituencies.

The existence of society would be jeopardised if the small, alien communities persevered in their division. This would again result in an atomistic melee, the components of which would not be individuals but small groups of communities, however these would be no less capable of forming an overall whole.

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<sup>306</sup> (Ed.) Such clubs (*sparverein*) flourished in 19<sup>th</sup> century Germany and allowed for poorer citizens to share the costs of opening savings accounts.

<sup>307</sup> (Ed.) Pejorative applied to the class of manual labourers or artisans in Ancient Greece, adopted in German to describe uncultured persons.

<sup>308</sup> (Ed.) Richard Strauss (1864-1949): German composer associated with the Romantic tradition of Wagner.

<sup>309</sup> (Ed.) Arnold Schoenberg (1874-1951): Austrian-Jewish composer and music theorist who epitomised the modernist trend of atonality in music.

## § 26. The Hierarchical Law of Society Resulting from the Homogeneity & Smallness of Communities

If the society is to persist despite its fragmented nature, then it must possess an inherent, i.e. conceptually necessary (categorical, a priori) blueprint for life, as it were, a schematic within it. This order and law of development, this blueprint, this basic feature, is: stratification or value-grading, the hierarchy according to one's affiliation with a value, the absolute inequality of values occupying distinct poles. The hierarchical law of society is the ordering by value strata.

Every society can be thought of as stratified in the manner of a pyramid, in which the highest values are at the top, and at the same time contain the lowest numbers, the lowest quantity, while the lowest values are found at the base and contain the greatest numbers, the greatest quantity, such that in a graphic representation the base would be broad, but the summit narrow and pointed.

Now, one can object that this pyramid would be very different depending on the system of value according to which it was ordered. Such is quite readily admitted. For a Christian value system, for example, the saints would be supreme, the great number of ordinary, weak believers and even the unbelievers would be below. The pyramid of the freethinkers, meanwhile, would be arranged differently. It turns out that any value system will result in a pyramid (or perhaps an onion), i.e. there will be few at the peak with many low values at the base, and then perhaps even negative values. Any value system will compel the conclusion that the creator of the world scattered gold and gemstones sparingly among the great mass of common rocks.

However, it is also important that the order of value strata by no means in its differences reflects the antagonism of the separate communities themselves. For example, the Wagnerians and anti-Wagnerians can fight down to the last detail in the valuation of music and art, in the creative imagination of the artist and related intellectual concerns, so long as they are relatively agreed on the more general (abstract) and therefore more comprehensive things around which communities as a whole are united, despite differences in values. Art itself would always occupy a similar position in the social pyramid of a value system put together by both Wagnerians and their opponents, in the case of Cubists, Futurists, Impressionists or Expressionists; the disputes here surround only the artistic class itself, they are internal, as it were, the domestic affairs of the class. The same applies to religious communities. They agree on the position of



religious values in the pyramid; it is only within a particular layer of the pyramid that the quarrel between Catholics and Protestants, between the orthodox and reformers takes place.

There is one last point to make here. Since initially, the communities themselves are entirely fragmented, the following proves necessary: the fragmented communities must be governed in a stratified way, as has been the case in every historically existing society, lest they be torn to pieces by anarchy and collapse. Thus, in the Middle Ages, there was the Christian stratification, in the pre-war period, the liberal stratification with monarchical and authoritarian restrictions, and today, the purely democratic stratification (according to the voting mechanism), even while socialist, *völkisch*-organic and other critiques rail against it. The overall ordering of society, the state, occurs then based on the prevailing value system, and stratifies according to said values on an epic scale, in an effort to strengthen organisation. In the Middle Ages, the priesthood, the ranks of warriors and knights, the burgher, craftsman, journeyman, and peasantry were each assigned a certain status according to esteem, and very little was left to the flow of free self-designation. In the liberal and democratic period, on the other hand, according to the principle of equality, status distinctions were eliminated as far as possible; i.e. the aim was to arrange state life mechanically, to adjust to the purpose of providing (equal) security and legal equality, and to strive for the liberation from status-designations to the greatest degree, that is, to shun any regulation over the free life of the spirit. One need only take a glance at how society actually is to judge to what extent this was successful or even possible (given that it was contrary to the nature of things). First of all, a negative status still had to be forced upon the negative elements. The vandals, the morally inferior, those on pauper relief, the politically volatile, all had to be given a negative status as a defensive measure, i.e. they had to be suppressed; then the economic leaders (the entrepreneurs), the political leaders (politicians and statesmen), and even military leaders had to be distinguished by a positive status, allowing them to rise from among the crowd; the burghers of a certain education and experience level had to be granted privileges (e.g. those found in the civil service); the different age groups had to be judged differently in terms of suffrage and electability, mental competence and guardianship (we covered this on pp.62-63); the proletarian class meanwhile remained in a stagnant state, was uprooted, and in fact lost privileges, all of these and a thousand other statuses of value were created, and in the course of all this, every effort was made to make no comment on the spiritual struggle, at least insofar as was possible. A minimum of (organisational) status designation, state approval, favouring of some and suppression of other values had to be established. It follows that the liberal democratic society is one that is content with a minimal level of status-designation, formed according to the principle of the mechanical nature of state life, and adapted to the individualistic-democratic scale of values. The societies



of other periods, again, will stratify value differently, according to how it corresponds to a prevailing value system in each case.

In this way, with its inherent, truly form-determining (anatomical, morphological, we might say) inclination towards fragmentation, towards impotence in the face of an inter-community struggle of all against all, a society can transcend the alienation of all communities, and by means of the supremacy of a particular system of esteem, can undertake a certain stratification of value groups, and thus acquire a viable form.

It is obvious that the formation of society is only possible in this way, by suppressing value systems and value rankings that contradict the ruling system. The individualistic-liberal-democratic order of life and value hierarchy prevails today and suppresses, in whole or in part, conservative, Christian, völkisch, Marxist and other value stratifications; the medieval, Christian stratification suppressed its own opposing, non-Christian, free-thinking stratifications (the declaration of heresies, witch trials). The morally ordered society suppresses its offensive, criminal elements. Thus, every historical and vital society is based on the subduing of its hostile value systems and, in particular, on the taming of a morally inferior, criminal world. (The "Vienna Underground", the "Belly of Paris", the permanent population of the correctional houses<sup>310</sup>, prisons, almshouses). In times of transition, of anarchy, of revolution, these tamed, long invisible and almost unknown elements suddenly appear and seek to determine a new stratification of society which oppresses not only the employed, the honest, the wealthy, but also anyone deemed hard-working, turning them into objects of exploitation. (Examples include the many Bolshevik revolts and the appropriations of goods during the Greek period of decline, as well as the reign of terror by criminals in so many revolutions).<sup>311</sup>

It turns out that without a ruling value system, and therefore without a true ruling and sovereign power, no society is possible, indeed a social order must always be based upon a certain set of prevailing values, a spiritual hierarchy.

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<sup>310</sup> (Ed.) Houses of correction emerged in England in the wake of the Elizabethan Poor Law. They housed vagrants and beggars, putting them to manual labour. The term later became synonymous with prisons in general.

<sup>311</sup> See Pöhlmann, R. *Geschichte der Sozialen Frage und des Sozialismus in der Antiken*, Vol. I, pp.313 and 416.

## § 27. The Implication of the Value-Stratified Tier Structure of Communities

### I. The variety of community strife entails the corporatisation of society

1. The concept of the estates. In terms of design (morphology), the already recognised stratification of society still raises the question: how does the diversity of stratified communities become a single unity? How can society survive if, despite the hierarchy of value, it still consists solely of communities formed by individuals who appear to have come down from the moon, often alien and hostile to one another? How does stratification eliminate the total isolation and distinction, the non-interchangeability of the communities in question? It does produce a hierarchy of communities, but it does not result in vital-organic reciprocity, a structure, the differentiation of these groups in relation to each other. There remains only a new kind of atomisation of society at a higher level. What is required, however, is that in order to make up a whole, a society, the distinct communities must be given the capacity to become members of that total spiritual whole which takes the form of society; they have to preserve the nature of *gliedlichkeit*.<sup>312</sup> It is only through *gliedlichkeit* that the distinguished parts of the spiritual whole emerge as the spiritual estates of society.

But how is the concept of *gliedlichkeit* to be defined? What makes a spiritual community a member of a broader group of spiritual communities, that is, of a comprehensive, spiritual whole?

The answer is this: the definition of “*gliedlich*” for a spiritual community or circle of communal sentiment is ultimately only to be taken from the commonwealth of spiritual content, from the related totality, from the cosmos of spiritual phenomena. All spiritual content forms the whole, even when representing the most contradictory elements. For all spiritual groups are already, in a purely logical fashion and a purely inward sense, defined by their points of reference: their opponents, relatives, friends, neutrals are all, stepwise, the purely logical, internally necessary providers of their definition! Thus, in

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<sup>312</sup> (Tr.) Another *Spannian* term, difficult to render in English. The German word *glied* translates as limb. *Gliedlichkeit* should be considered as the property of being a limb, i.e. limb-ness.

truth, no spirit is isolated, but always comes as a limb (and this regardless of placing in the hierarchy!). Let's take a look at some examples:

In the drama, strictly speaking, the actor always has a counterpart, never existing on his own. Thus, the lover has a beloved, the hero a coward, the good an evil, the seducer a seduced, the intriguer an innocent, the saint the world, the sweetheart of luck an unfortunate, the dedicated philanthropist (like Timon of Athens<sup>313</sup>) the self-serving crowd. Thus, in Shakespeare's *Henry IV*, beginning from the neutral setup of the moral Round Table around which Henry and Falstaff find themselves, we find an epic contrast between the true lawgiver, Henry, who ascends in the bright splendour of a moral man, and the entirely nefarious, a-moral Falstaff, who stands before us as a total cypher, defined only by his opposition. The example of the drama teaches us that the spiritual contents of hostile/alien communities are not agents of chaos, but are the building blocks of a spiritual totality, of a spiritual cosmos; a value cosmos, a logical cosmos, an aesthetic cosmos, etc.; they have their internally established points of reference, their opposites and affinities, and as such they are essentially (in their spiritual content) related to each other!; and through a limb-like contrast they even gain their entire reality, their total vitality and truth, which otherwise would be stale and monotonous, even unreal. And this not only applies to the drama, it applies to everything in existence. If the world was entirely grey, there would be no colour (at least visibly), if there was only sanctity, there would be no religiosity (at least knowably). All reality needs a contrast to attain full existence. The spiritual is only real, is only completely there, by virtue of the material, with which it contrasts, the religious only completely there by virtue of its opposition to the inclinations of renegades, casuals, indifferents, who seek to take us away from the experience of God, the light only by virtue of darkness, the right only by virtue of the wrong.<sup>314</sup>

Let's take a closer look at some other examples. In the moral realm, it is clear that all the good and bad impulses, habits, sentiments, thoughts and principles which are to be found in man together constitute the "moral realm" (in both positive and negative sense). Every element, of whatever kind, is therefore an element of the "moral cosmos," a member of it, even those which are in part negative. Therefore, by his very nature, the criminal stands at a certain place in the moral cosmos, e.g. in contrast to the righteous, and the liar as well, in contrast to the truthful. Another example: everywhere in logical-theoretical knowledge (be it mathematics, be it epistemology or even mineralogy or physics), all the existing doctrines and dogmas of teaching are

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<sup>313</sup> (Ed.) A Shakespeare play first performed in 1674 but published much earlier in 1623. It centres on a beloved citizen of Ancient Athens whose generosity is exploited by vulgar sycophants.

<sup>314</sup> For the ontological aspect of the question, see Schelling's wonderful *System der Weltalter* (1998). Frankfurt: Vittorio Klostermann.



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the building blocks of those mental structures which constitute the "system of epistemology", the "system of mineralogy", etc. And the various systems and doctrines which combat each other form, in this sense, a total whole, a totality, for their antagonism towards each other is precisely what prevents them from just hanging in mid-air, they refer to one another. Even errors and negatives must face positives, the highest, truest systems! They form, so to speak, the components to be overcome, the latent opposition.

Indeed, this need for internal opposition goes further. Even where there is only one view, one moral virtue, one spiritual orientation, it only triumphs insofar as it overcomes false views, bad impulses, sentiments and thoughts. He who bears the truth has gone through many errors; he who has virtue never has it by birth, but has always acquired it by overcoming his evil impulses and faculties, and by having the strength to restrain any new impulses to wickedness, and thus not fall back into the old errors which have already been overcome; those who practice asceticism have not destroyed external desire, only tamed it within themselves, where it must remain as an adversary, as a potentiality of the opposite. The fact that a relapse into past inferior stages is always possible, both in the theoretical and moral realms (as in the artistic and religious), shows that even the seemingly singular contains in itself a latent, albeit overcome, structure.

From all this follows: there are never bad and good, superior and inferior, true and untrue elements and communities existing within a respective spiritual world as isolated, chaotic forms, existing with merely their own value properties; but instead they exist only as the building blocks of a spiritual opposition, as limbs, together as an estate! This *gliedliche* relation, this spiritual connection of communities, resembles the organism where, in addition to the completely healthy elements, there are those which are less healthy, sick, degenerate, the trained and untrained components. The life of the organism is a constant struggle against this degeneration and yet at the same time a path of steady equilibrium.

The overall result we may repeat: the property of *gliedlichkeit* possessed by a spiritual community in the overarching construction of the spiritual cosmos, brings forth the spiritual estate. The higher as well as the lower spiritual communities each belong in a definite position, in a certain relationship to the world of the spirit and the soul, and are therefore "limbs" of this world, despite their inequivalence. Even in the lower spiritual world dwells the higher, the "totality," because the point of reference in the lower world resides in the higher, emerges from the ordered whole, is based upon it; as the criminal is also a member of the moral world, because he is the bad as opposed to the good; the bad is thus (in a negative sense of opposition) a limb of the moral.



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If we dissect the qualities found in the spiritual estate in a strictly conceptual-analytical way, the following results. The concept of the "spiritual estate" is determined in three ways:

1. the "estate" becomes a community circle through the summation of totality that it represents. Being an expression of totality is the first fundamental property of the estate;
2. the spiritual estate in question is, for that reason, not the expression of totality in general, but rather: the expression of a particular totality. For only as this particular limb, not something more general, is a community circle an "estate", i.e. it is a peculiar, species-specific manifestation of totality. And as such, the estate is;
3. a peculiar manifestation which gains its essence in correspondence with the other estates, because it is not everything in and of itself and therefore, despite all its inner totality, is nevertheless a fragment in relation to the external, and despite all the peculiarity of being for itself, it is deeply invested in its opposites, takes order out of the greater whole. In it, the whole is hidden, the particular is revealed.

In all three of these determinations, we find that the same thing is said again and again from each side. This triad explains the inner being of totality in the particular, and the existence of the particular through the totality. The quest for totality is the second, higher nature of the particular, which surpasses itself in this nature, overcomes, regains its shape in unity.<sup>315</sup>

This conception of the estates, embracing at the same time the moments of peculiarity and totality, follows again what we have previously found in another connection: the necessity of a plurality of estates. Where one organ is, other organs must be as well, where there is one estate, there must be other estates.

Conversely, it also follows that the dreamt-of dissolution of totality into a "classless society", i.e. into a homogeneous, estateless society, as Marxism and communism desire, would be contrary to the internal and external (spiritual and active) nature of society, and therefore in reality impossible, technically unfeasible to implement. The communists have no idea of the difference between the inner totality and that which is made manifest (unfolded as differentiated peculiarity). Everywhere they demand happiness, which society can only touch as a totality that transcends the human spirit.

Further, the developed concept of the estate also entails the curious hazard and weakness of a society based entirely on the estates. If the estates stand too

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<sup>315</sup> (Tr.) In the original text, there follows an almost identical paragraph with only slightly different wording in the first sentence. This has been omitted as an editorial error.

## *The Implication of the Value-Stratified Tier Structure of Communities*

close together, they become more of a league (federation) type entity. But a league (federation) implies more of a coexistence than a superordination and subordination, than the full consensus around totality. The mere juxtaposition of the estates would have an individualistic impact on the structure of society and would subsequently shatter its integrity. This danger was in fact present during the Middle Ages (it led to the demolition of the state in Germany, and, on the other hand, was overcome in the English corporative state of that period). The excessively specialised individuality and seclusion of the estates endangers the unity of the whole, of the state. The relationship of the estates to each other should therefore be based on their being one, as it were, party to the origin of the whole, rooted in the unified ancestral seat of the totality, where it lives and has its roots.

2. Spiritual and active estates. The spiritual estate is the community or community circle in its capacity as a limb of the spiritual content of all communities. The spiritual estate, however, is only improperly called an "estate," because, as such and as yet, it has assumed neither an active existence nor a uniform, external manifestation. As something purely spiritual, it is, as it were, still a doll estate (a latent estate, a slumbering estate, a proto-estate). Only in action does an estate affirm its external dimension, proves its worth through unity. The spiritual estate becomes substantial only when it is put into action, when it becomes effective (actuated) in this reality (an awakened estate, an estate with an active existence, a full existence).

The active estates take on either a political or economic form, corresponding to the two major types of action that we have identified above (see p.73): creative action (economy) and service action, i.e. organisational or political action.

The spiritual estate is the basis of action, is the primary root, the ur-estate. Yet the active estate in economics and politics is its realisation, as I put it, the actualised estate, in the true sense, the full-estate.

At the active level, *gliedlichkeit* is more obvious. For example, the savage Landsknecht<sup>316</sup> may be a mere mob, a barbarous horde in their own right. How do they become an estate, a warrior class? By assuming certain roles (functions) within the totality. The Landsknecht can be sent to war. As warriors, they have the task of fighting for what the totality demands. Taken alone, they may simply be a horde, but when this nature is tamed and becomes a limb, its power is channelled in the direction which the totality requires. Thus, we see vividly how the concept of totality accepts the nature of a peculiarity, but in the form in

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<sup>316</sup> (Ed.) Germanic mercenaries who formed the bulk of the Holy Roman Empire's army between the late 1400s to the early 1600s.

## *The True State*

which said peculiarity remains true to the general will and obeys: that is, the estate.

And again: the estate does not have its peculiarity for the sake of peculiarity, for if it did, this would be akin to not having it at all, and the whole thing would degenerate. It only possesses peculiarity as a special form of totality. Active estates are, as it were, permanent, are "obligatory estates", and must not be anything less than this even for a second, otherwise the inclinations of their peculiarity towards isolation, towards separation from the totality, would be magnified.

## § 28. The Implication of the Tier Structure of Communities

### II. The political aspect of the estate. Conclusions on the best form of government

The structure of the estates, as a (conceptual or incarnated) step-sequence of organisations, makes up the state. The state is therefore the ideal unity of this structure, brought about by the ideal unity of the underlying communities, the overall organisation of life. The position of an estate in the totality of all organisations constitutes the "political position of the estate". Since a distinguishing feature of any grouping or organisation is always the "power relationship" within or between organisations, one can also explain the political aspect of an estate (an organised community group) by its very definite position of power within the state. Thus, the princely class, the knightly class, the merchant class, all possess a certain power of dominion and certain sovereign rights in the state.

Now, if the community groups and thus the estates are arranged spiritually by virtue of their inherent relationships (oppositions and affinities), differing according to value, they form a value pyramid, and so the question of the best political organisation of the state, i.e. the superior form of government, is fundamentally answered. The best form of government is the one that brings the best to power.

The statement familiar to us from earlier (see above, pp.107-108) returns here: "the best shall rule" because they represent the creative power, once society is divided into particular community groups, constituted as they are for action, i.e. the physical application and purpose of "estates". "The best shall rule" means not only dominion, in a general sense, of the immediately essential interests such as military strength, religiosity, etc. but in the more complete sense of the entire body: the estates should rule according to the "best" that they (in the sense of totality) embrace. The cobbler, therefore, should rule in the domain of shoemaking, the general in the sphere of the war, the king in the arena of the greater totality.

Now, the question arises: how is it possible, feasible, that the best rule? The nature of fools and criminals, the essence of an infinite number of other reluctant elements, is that they do not recognise the truly valuable spirit nor the truly valuable ends, or in fact themselves pursue ends which are inimical to life



and morality, e.g. our "noble anarchists" with their distorted optimism, or that segment of our communists who are sincere idealists chasing a juvenile, boyish and abstract mental construction. All these and many others will not submit to the legal right which the ruling spiritual communities acknowledge as theirs. The arrangement of reluctant or contradictory components into the totality is therefore the greatest organisational problem.

Here is a maximally important, basic law, which I would like to call the law of the gradation of power, or the law of indirectness when exercising power. The good cannot rule over everything, good and bad alike, but only over that which is close enough to good. The formal exercise of dominion is dependent on gradation, on a sinking down, and can only be exercised indirectly over the mentally and morally deficient. The best have the strongest connection to the (moral) whole, the strongest magnetic force in itself. For what does dominion mean? Dominion means first: spiritual legitimacy. This finds its organisational expression in the exercise of power in the sense of spiritual legitimacy. But other exercises of power, without the basis of spiritual legitimacy, are abuses of power, are exercises in enslavement!

When ruling on the basis of spiritual legitimacy (with or without an ultimate exercise of power) the following chain applies:

The best shall rule over the good; the good shall rule (by passing on the rule of the best in their own way) over the less good; the less good (by passing on the received rule again in their own way) shall rule over the best among the bad; the best among the bad shall rule over the bad, and so on. The worst are those who have the least capacity for the construction of the moral totality; insofar as they possess any capacity at all, they are still a little good. This little goodness qualifies them as limbs; and it is these who receive the last small sphere of dominion. It follows that, by its very nature, rule can only proceed in stages from top to bottom, down from one tier to the tier directly beneath it, but never directly from the top to the bottom, rather, only by mediation through intermediaries. All exemplary, well-conceived formations of power (organisations) clearly demonstrate this exercise of power. Anyone who served in the old army knows exactly how the exercise of authority actually took place and how this practice always turned out to be the best, indeed the only possible way. If the general sees that the soldiers are doing something bad, he will not go and tell them himself (even if this is technically possible), but instead he will summon the colonels and give them their orders; they too, will not tell their soldiers, but instead convene with their battalion commanders and pass on the orders in their own way; these pass it on again and the whole thing ends up with the sergeant or corporal, but in such a way that some of the general's orders remain only with the colonels, some with other leaders and subordinates, while the soldiers get only the smallest snippet: everyone receives the command appropriate to his purpose, rank and ability! In such mediation of the exercise of power through the respective neighbouring tiers lies the essence of the truly

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spiritual exercise of power, and the secret of every great, successful organisation. In addition to the army, we can find the same thing exemplified not only in the Roman Church, but also every political party, e.g. for their leaders "behind the scenes", the trickling down of authority cannot be dispensed with.

Other examples are pertinent here: Faust<sup>317</sup> comes face to face with the earth spirit, whom he calls to himself, yet the confrontation is not a direct one. Every person faces every spirit through mediation. The great ruler who mixes with the people (for example, Emperor Josef II, who walks through the streets dressed in disguise, Harun al-Rashid<sup>318</sup>, who even presents himself as a beggar) must turn himself into a lowly official, into a common man in order to gain direct contact with the lower strata. A ruler who mediates himself must be the greatest actor. But when he falls out of character and suddenly reveals himself to the lower strata, he does more harm than good; he then strikes a tone that is incomprehensible, overwhelming, which could deafen, he presents a sight which could blind.

Another basic characteristic of the "rule of the best" is that the required distance between the upper echelon and everyone else grows in proportion to how authoritative it must be. One can say sociologically: the more a society is built up under authoritative rule, the more indirectly that rule is exercised. An example: someone with religious creativity can be recognised as such, can appear comprehensible and worthy of reverence (i.e. not as an authority, but as a source of teaching) only by those who are not too far below the revered, creative power. The researcher can only be venerated and respected as eminent and pioneering (that is, as a master) by those who can follow his train of thought independently of others. But in what sense can we say, to take yet another example, that Goethe or Novalis become an authority for those of average education or of a worker's education? It is in the fact that Goethe becomes a master (that is, a recognised authority) for other great poets, such as the Romantics, or for great, creative critics, such as the Schlegel brothers. By becoming masters (recognised authorities) for lesser but still legitimate art connoisseurs, these same art connoisseurs play the same role for those who are even lesser, but maintain an appreciation for art; a chain is created to pass on what these connoisseurs have received to the less gifted, the less educated, the knowledge of Goethe being seeded right down to those who can only attain a

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<sup>317</sup> (Ed.) Faust was the protagonist of a Germanic legend, a dissatisfied prodigy who sells his soul to the devil in exchange for worldly delights. It was popularised by the 1790 play by Goethe.

<sup>318</sup> (Ed.) Harun al-Rashid (766-809): Fifth Abassid caliph, considered to have presided over one of the most flourishing periods of Islamic history. *The Thousand and One Nights*, a popular collection of Islamic folklore, depicts al-Rashid inspecting his realm, often in disguise.

glimmer of truth. This glimmer is strengthened with requisite outward repute (authority) by its derivation from the rich gradient of higher mediators, and thus this glimmer gives to its end-user, thanks both to its authoritative pedigree and trappings, something infinitely greater than its intrinsically explicable content: the unreserved adoration of greatness. This spirit, this devotion, is one of the greatest gifts that man can receive. Only in this way can the lesser man join the greatest in his own way, only thusly can the lower be wholly connected to the higher. When spiritual facts and instructions get trapped in the middle of the society, cracks form. (Take today's conflict between the uneducated and the educated, and between education and true wisdom!)

Thus, in a formal sense, the best form of government is one which provides for a hierarchical division of communities, that is, understanding "estates" in the broadest sense of the word: a form in which estates define the state organisation. The dominion of higher spiritual powers is not possible directly, but only indirectly, only by transmission, by the "rapport" of the middling ranks which lie between high and low. The spirit of life achieves its full extent only in the corporatist state. The corporatist state is the most perfect political expression of the Universalist conception of society. It is logical, and indeed in the nature of this state, as a gradient of rankings, that it will have at its summit a unified point, and for it, as for the universe, the Homeric and Aristotelian principle already found in *Metaphysics* applies: *εἰς χοίρανος ἔστω*.<sup>319</sup>

Let's summarise. The rule of the best requires, according to what has been hitherto explained:

1. a gradient of dominions;
2. mediacy as the constructive law of the organisational circle, as the constructive law of the state; for the "rule of the best" cannot exist when there is an equalised coexistence (coordination) of atomically identical elements or groups of such with a uniform centre. Instead of immediacy and centralisation there must occur mediacy and decentralisation. Instead of: "one people, one government", there springs forth many subdivisions or people's circles, many sub-authorities or civil dominions. Finally,
3. the rule which determines things as essentially flowing from above, rather than below (as individualistic natural law would have it). It is not the "sovereignty of the people" that counts, but the "legitimacy of the highest value".

Only the corporatist mode of organisation formally allows for the rule of the best; the individualist, democratic organisational form of the state makes no

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<sup>319</sup> (Ed.) Ancient Greek: *Let one be the ruler*. From Aristotle, *The Metaphysics* 1076a.

## *The Implication of the Tier Structure of Communities*

such allowance! Its presupposition considers all citizens (the voters or constituents) as equal, choosing from among them a ruling committee, a centre of government, with all citizens of the state being fundamentally equidistant and very close to this centre, maintaining what is essentially an identical relationship to it. Everyone receives directly from the centre, nobody is required to pass anything on; everyone gives directly to this centre. Missing here is any kind of ladder of ranks. The ruling committee, the central authority, itself commands its limbs (if necessary, it might be represented by immediate organs). However, such an arrangement is ultimately impossible, in fact, it is wholly against the nature of spiritual interaction in society, being something utterly inappropriate, in fact impracticable, which has never existed in history. Therefore, in democracy too we find management, cliques and similar, wildly sprouting intermediate groups!

The result is confirmed as follows: the best form of government requires a structuring of the estates with hierarchical mediation; i.e. it demands decentralisation that descends from the summit, rather than atomistic centralisation. (On the moment of centralisation and decentralisation, see below, p.222).



These trains of thought cannot be pursued here, for they belong to a more general study of sociology. However, they were indispensable for the understanding and explanation of the estates, reflection upon the body of which we now finally turn to.



## § 29. The Implication of the Tier Structure of Communities

### III. The economic derivation of the estates

The political aspect of the estates derives, as we have seen, from their position in the organisational structure of society, i.e. from their dominion. Their economic aspect, on the other hand, is based on their position in the world of finance, in the world of economic activity. To recognise this economic aspect of the estates, being that it follows from the spiritual stratification of society, we must consider the spiritual life and to what extent it constitutes a basis for economic activity. However, in the meantime, in order to clarify the technical terms or the conceptual distinctions which we must make in the general, overall concept of the 'estate', let us first say the following. We distinguish:

1. the spiritual or latent estate, the proto-estate;
2. the active or effective estate, the estate in the actual sense, the solid estate (which is, however, not organised as such);
3. the uniform combination of the estate towards a common action, the continuously organised estate or: the guild estate (zunft, gilde, innung in the broadest sense); since the estates are, once again, divided, it is further to be distinguished;
4. the vertical structure of estates by rank. The ranking of the guild estates (or even of active but unorganised estates) into what we might call component estates, ranks or also: classes, domestic estates or civil estates.
5. The horizontal division of several estates results in the aggregation of similar divisions or tiers in different guild (or more generally: active) estates (e.g. Pope, King, President of a free state), the estate group or ranked estates society;
6. the state considered in its dominion: its political status.

Estates 2-6 do not coincide, because the spiritual foundations for every kind of action, e.g. political and economic action (the economic and political estates) are not the same.

A. Which Communities are the Basis for the Active Estates?

It is now necessary to recognise the spiritual communities or proto-estates that form the foundations of the active estates, i.e. the spiritual foundations of our entire external life more generally.

An ancient wisdom distinguishes the estates into three large groups as teaching estates, martial estates and agricultural estates, and brings to the foreground the level of spiritual content found in each. However, this classification (which is also present in Plato's "state", and at that time was already found in the Zend Avesta<sup>320</sup> and among the ancient Indians) is too simple for today's conditions. Taking into account the spiritual communities as foundations of the active estates, further, the means which serve the content of these communities, and finally the organisations which actualise such content externally, the following table of estates results, though we will admit it does not connect the concrete estates or class formations of today's and future society, instead offering only the basic structure, that is, for the time being, a more abstract, more general analysis which can serve as an overview.

The following discussions are both an explanation of the table on the following page, as well as a derivation and justification of its components. First, we must establish the spiritual foundations of the active estates, the communities.

**I. Low manual labourers.** The first circle of community members is made up of those people who find in the carnal sensations, in the sphere of vitality, their main purpose in life, their bread and butter. It is the big house, the big mass of people. Among them are first (almost consistently) the uneducated, and also that segment of the "educated" whose education is not internal, but is only a mechanical sum of external knowledge, through which they therefore go no further than the purely vital life; moreover, not only the majority of the poor, but also the rich and affluent of today, whom Schäffle has called "the mob in the silk hat", belong to it. "Predominantly instinctual and vegetative life" would be the characteristic descriptor of these circles, their communalisation takes place at the regular's table, in dreary invites, in popular entertainments, in lurid cinema, in the vaudeville with negro dances and similar exploits.

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<sup>320</sup> (Ed.) The primary collection of religious texts in Zoroastrianism.

The Systematic Structure of the Estates and their Community Basis				
Communities	Their Means (Economy)	Organisation	Active Estate	Their Additional Role
I. The mutuality of the sensual, especially the vital.	A. Food, shelter, clothing and similar means, i.e. physical needs and sensual pleasures.	<b>First:</b> organising and resource gathering for <b>A</b> and <b>B</b> : enterprise (economic organisation).  <b>Second:</b> organising the totality of spiritual and moral coexistence (from I to III): "state", "community" (and the like).*	1. Manual labour, producers of resources falling under <b>A</b> (essentially belonging to group I).	a) craftsmen (journeymen and apprentices)
II. Higher spiritual communities, but only those which participate rather than produce.	B. a) the beautiful design of those goods falling under <b>A</b> . b) the performance through the medium of goods falling under <b>III</b> (books, artistic prints, musical instruments, drama and the like).		2. Higher workers falling into either a) artisan producers of intellectual resources, <b>B</b> and <b>a</b> (not purely mechanical. Craftsmanship). "Artistic diligence" (anchored in I and II) or b) producers of spiritual products <b>B</b> and <b>b</b> performing intellectual feats (anchored in II then I).	b) teachers of higher learning. Technique and knowledge (teachers of lesser schools).
III. Higher spiritual communities which produce rather than simply participate.	C. a distinct world of means (standing aside from the technical arts of painting and writing with their external means) constituting spirituality itself.		3. Producers of economic organisations: entrepreneurs, business leaders (anchored in I and II).	c) teachers of economic expertise (the entrepreneur acting as role model).
			4. Producers of state/national organisations: statesmen (anchored in II and III), generals and church leaders.	d) teachers of governance (the statesman acting as role model)
			5. The ruling estate or creative/instructive estate of the first creators and educators, spiritual heroes. In addition, those who set out the division of economic estates (1-3) based upon their means: agriculture, trade, transport.	e) life-teachers of humanity
**"State" meant here in the sense of the general, comprehensive, holistic, "economy" of exceptional organisation.				

The means for this circle of spiritual life are food, housing, clothing, heating, inns, calliope music, operetta music and similar things that are linked to the sensual and vegetative.

In terms of an active economic estate, we arrive at the estate of the manual labourers, for example, factory workers, peasants and craftsmen (in a favourable form: the trade unions, artisans' and farmers' associations). Manual labour meets the spiritual water level for these people and provides them adequate employment. It would be wrong to think that manual labourers are unhappy because they are only manual labourers. Not even close! In any other occupation that demanded of them that which does not correspond to their nature, they would enter an ill-chosen profession and a depressed state of life. If many of our workers today are still unhappy, it is an unhappiness rooted in the unfavourable, mechanical design of factory work, of bad economic conditions, of societal uprooting, and of the false attitude of class hatred (which, we should say, corresponds to the criminal haughtiness of the higher estates). (More on that later, see pp.214-215).

**II. Higher labourers.** The second circle of communities is centred on higher spiritual content, but it does not produce this content, only acting as a participant. Decorative arts, interior design, derivative architecture, derivative painting, artistry, the recitation of religious values, the recitation of poetic content (acting, etc.), exceptional intellectual education, knowledge (science as the epitome of knowledge), all make up the perimeter of these communities. The decisive factor is that, as we have said, the community members are essentially to be thought of as merely participative, passive, and who produce nothing significant themselves. For example, science is not to be thought of as research or independent investigation, a productive activity, but as learned knowledge, as found in the average teacher, especially those at lower educational institutions.

The means which serve this spiritual life are, on the one hand, craft items, as long as their aim is the beautiful design of vegetative provisions (food, clothing, homes, etc.), or even of luxury items of a similar kind. These craft products thus represent a certain spirituality for the merely vegetative agent. On the other hand, we also must consider goods that serve immediate spiritual ends: books, art prints, plaster moulds, musical instruments, concert halls. In addition, we could add performances and lectures of all kinds, schools, and certain museums and their services, insofar as they are derivative (reproductive) in nature.

The economic estates dedicated to the procurement of these resources are not uniform. They are given a summary form in the phrase 'higher labourers', and are divided into the following categories:



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1. The higher manual labourers or artisans (manual labourers of the arts), to which all craftsmen belong if they take part in artistic design (rather than performing purely mechanical functions).

The work of the higher manual labourers, the artisans, we call "artistic diligence", craftsmanship in the broadest sense.

2. The lower or petty intellectuals, such as the draftsman, the designer (as far as he does no actually generative, creative work), and the entirely reproductive builders, technicians, engineers, performing musicians, actors, vocal performers (speakers, singers), publishers of books, art prints and the like, whose work may go as far as refining, but never really produces anything. Further, also included are all dependent officials and lower teachers, as far as they pass on only what they have learned and retained, examples of which include all mid-level officials, elementary, technical, secondary and high school teachers and higher educators (naturally excluded if their work is essentially creative).

This active estate differs fundamentally in its spiritual structure as compared to that of the lower labouring class. Characteristic here is the positive will to the whole which follows from the content of spirituality, the power of alignment, that the lower likes to cling to the knee of the higher. This circle raises itself, in large part, to the neck of the creative artists, inventors, scholars, and also the creative business leaders.

III. Creative intellectual labourers. The third circle of communities is characterised by the higher and highest spiritual contents that can occupy the human mind. Art, science, religion and morality are the areas in question. They do not merely participate, but essentially produce, i.e. essentially creative spirits form the community of this strata.

The means which serve this spiritual life are only minor, insignificant. The creative spiritual life takes place in itself, not in the external. Aside from the purely mechanical arts of writing, speaking, painting, drawing and sculpting, no external aids are even possible. It is not really a world of means but spirituality itself that appears here. The means for spiritual life are only relevant when it comes to presenting, recording, disseminating or educating.

Corresponding to this small role of the means, an actual economic, even an active estate does not result from this spiritual life, an independent economic estate never being actuated. Rather, a group of people emerges here who prefer to escape the professional economic life, indeed with an urgent necessity.

Buddha, Zarathustra<sup>321</sup>, Luther<sup>322</sup> made history in this regard to the greatest extent, but they could not belong to an active estate; because they were not genuses but were completely unique. However, more generally we can include: poets, composers, painters, sculptors, philosophers, founders of religions, saints and sages, and the more creative, the more unique these individuals are, the more it must be asked how they can be considered among the artisans, lower and higher labourers, and businessmen of all kinds. Therefore, while the estate of creative spirits is, as a spiritual estate, the most important strata, that which actually and above all makes history, as an economic estate it only manages to be inauthentic and untenable; one could best describe it as being embodied in the highest intellectual labourer, or better, the creative teacher. He is a model of role models, the pioneer, the first creator and teacher, the spiritual hero.

It is the eternal tragedy of the ingenious man that for him, as a creator and innovator, it is in fact difficult to find a place, an estate within an economic community. As an external labourer, he is of little use, as a creator and innovator he is usually unrecognised, for the most part unwelcome.

Between this essentially creative "estate" of genius and the estate of the above-mentioned, merely passive, lower intellectual labourer, there is now an intermediate group, a transitional form, as it exists in those people who, although performing significant intellectual work, do not truly manifest the creative trait in their entire personality. This is the scholarly researcher who brings his science forward by a couple of paces, that is to say, is creative, but is nevertheless no sage, no genius in his overall person. So, the minor poet who succeeds with some important poems or stories; the minor composer, painter and sculptor; and, moreover, the great critic who, while reliant on his own examinations is on the whole dependent on sympathy and feedback; the conductor, the exceptionally great, creative actor; they all have to identify the creative as an essential part of their work, but this creativity does not carry through to their whole being, does not define their whole personality. To this circle is given a mediating spiritual estate, which we will give no further treatment here, but which finds its natural role particularly in teaching or in the leading positions of various spiritual kinds. Inventors occupy a special position in this mediating estate, and they produce and find creatively independent new combinations in the technical-causal sphere, without, however, otherwise requiring a higher spirituality.



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<sup>321</sup> (Ed.) Ancient Iranian prophet who founded the Zoroastrian religion sometime between 1500 and 1000 BC.

<sup>322</sup> (Ed.) Martin Luther (1483-1546): German theologian who triggered the Protestant Reformation.

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So far, we have examined the estates in general according to their spiritual gradation, but there are still certain peculiarities to take into consideration, peculiarities that, because of their exceptional importance for the organisational structure of society, lead to special professional formations.

IV. Business leaders. Apart from the economic world of means, another world of "service action" must be considered, namely coordinating or organising action (see above, p.74). The organisers who possess the special talents of organising, possess in this regard something productive, self-contained and creative. The organisers of the economy are (in the free capitalist order) the entrepreneurs and their senior employees (directors), as far as they independently perform organisational work. We call this estate that of the business leaders. The work of the business leaders consists in the organisational summarising of the elements (components) of economic activity. Their work can also be described as the calling to economically productive action. The justification of the term "business leader" can be appreciated when one considers that just about every large industry (where it does not rest on a historical basis, as in the textile industry of old weavers' neighbourhoods) is the creation of highly economically qualified personalities (the Fuggers<sup>323</sup>, Krupp<sup>324</sup>, Borsig<sup>325</sup>, Kuppel-wieser<sup>326</sup>, etc.). The entrepreneur is a creatively gifted person, there is no doubt about that. Even though spiritually he is very lowly, as low as the higher craftsman, he has something that the higher craftsman lacks: a creative element. However, this usually applies only to economic coordination, economic affairs, and has as its basis a brusque, heedless energy which can disregard higher spiritual content, but does in itself possess a certain creative trait.



Before we continue from here, we take a glance back at the previously outlined distinction of the estates for clarification. There are primarily two objections that can be made against our distinction and treatment of the estates. First of all, one could say that the above distinctions follow certain valuations,

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<sup>323</sup> (Ed.) A German family historically prominent in the banking industry of Europe, having displaced the Italian Medici by the 15<sup>th</sup> century. They held a near monopoly on the European copper market during this time.

<sup>324</sup> (Ed.) The German family behind the largest European company at the beginning of the 20<sup>th</sup> century, Friedrich Krupp AG. They were the premier arms and armaments producer during both world wars.

<sup>325</sup> (Ed.) German family whose factories pioneered steam locomotives in the country during the 1800s.

<sup>326</sup> (Ed.) Austrian family prominent in the agricultural industry of South Tyrol.



accord to a particular scale of values. The answer to this would be that the distinctions are highly formal, that very different content can be found in the "lower" and "higher" labourers; but even further: we can say that in every study a particular system of values must prevail as predominant. Thereafter, in each study, it will set the standard by which the spiritual foundations of the estates are to be judged, with verdicts committed to under its auspices.

More important would be the second objection, which could be summarised in a few words: the estates you describe are quite abstract, and in reality, there are, for example, no lower manual labourer's estates, no entrepreneurial estates as closed groups. It must be answered that these groups certainly do exist, but often only as active estates (as unorganised and yet full estates), rather than as (concretely actuated) estates organised and based on a guildish model (guild estates). Yet, wherever estates appear in the organised, guildish form, they necessarily contain the general categories of the lower and higher labourers and business leaders, these being a requirement, i.e. the general categories of activity, which we distinguished above (which rely not on a clear design because they also undergird unorganised economic estates), form everywhere the internal blueprint of special (actuated) guilds. Of fundamental import is the realisation that between the purely spiritual and the bodily, incorporated (organised) activity there must necessarily be a mediating, intermediate form. Between the purely spiritual estates (which are still unborn estates, sub-estates, only the blueprints of the guild-estates) and the already completely designed guild-estates, the general, still unorganised, active estates ("full estates") occupy the dividing space, and do so, as it were, abstractly, in the same way that the species stands between the genus and the individual.

It must also be remembered that not only within the guilds and guild federations do those general basic divisions or active estates appear (thus, in a closed, professional association today as in the Middle Ages the entrepreneurs and labourers appear as distinct groups, and again, within the latter we find the distinction between the higher or lower labourers, whether actuated or not); but also between the guilds and guild federations we can find the opposition of lower or higher (spiritualised) roles.

V. The state leader. Similar work rendered by the organisers of the economy is also rendered by the organisers of the state. The organisational work of the state does not refer to economic means but the whole content of community life and is therefore superior and more general than economic organisation, dealing with it only in the highest sense. The whole spiritual-moral life is the mainstay of the state organiser's labours. We call this estate that of the state leader. As the business leader's role is creative economic productivity, so the state leader also acts as a creative producer of the community. The true state leader is the creative designer of community elements, those capable of communitisation: this means the shaping and forming of the moral-spiritual life



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by strengthening this and weakening that. The state leader in the true sense is the leading statesman, the office of the state leader being the royal office; however it also includes: the leading, creative politicians and parliamentarians; the leading, relatively creative members of think tanks which operate on independent statesmanship in terms of their ideas and labours (at least insofar as these are independent); the leading journalistic and political writers.

A special class of state leaders are the higher warriors. The general performs an organisationally creative work closely related to statesmanship. The lower, combat warrior is on the level of the manual labourer, a role which he tends to fill as he transitions into old age; although, as a true warrior, he must make the quality of danger the basis of his actions, and hence, in unrelentingly warlike times of spiritual truth and peculiarity, there is found an independent estate, whose duty is to raise up a warrior class. The higher, relatively independent, creative military commander and officer meanwhile corresponds to the higher civil servant. To rank the higher warriors among the state leaders seems to me the only appropriate classification. Both the organisation of an army itself and the leadership of the army on behalf of the state is a purely statesmanlike affair, hence something of a royal office, both historically and conceptually. The leadership of the army in battle then may be considered one of the creative-combination labours closely tied to the activities of the organiser. The battle is the effective grouping of strong elements, similar to organisation; in the preparation for battle, from the outset, for example, the deployment and formation of the army is essentially a matter of organisation, a creative venture. It is the cold eagle-eye which the general must possess along with the organiser, but of course in an elevated, heroic measure. Only this explains why every great general has been a great statesman at the same time: Alexander the Great, Charlemagne<sup>327</sup>, Heinrich I<sup>328</sup>, Otto I<sup>329</sup>, Frederick Barbarossa<sup>330</sup>, Cromwell<sup>331</sup>, Frederick the Great, Napoleon.

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<sup>327</sup> (Ed.) Charlemagne (742-814): King of the Franks and first Holy Roman Emperor. He is often referred to as the *Father of Europe* after uniting most of Western Europe and pursuing successful military campaigns against the heathen Saxons.

<sup>328</sup> (Ed.) Heinrich I (876-936): Duke of Saxony, better known as Henry the Fowler. He achieved several Germanic victories over the neighbouring Magyars and Slavs.

<sup>329</sup> (Ed.) Otto I (912-973): Holy Roman Emperor, son of Heinrich I. He continued his father's string of victories against neighbouring states.

<sup>330</sup> (Ed.) Frederick Barbarossa (1122-1190): Holy Roman Emperor, notable for his role in the Second Crusade and numerous campaigns on the Italian peninsula.

<sup>331</sup> (Ed.) Oliver Cromwell (1599-1658): Republican military leader during the English Civil War and subsequently *Lord Protector* of the commonwealth in its aftermath. His *new model* army was one of the most fearsome military forces of its time.

A second special group in political life is the priesthood. In itself, the priesthood belongs in community circles II or III (namely, religious production or reproduction) and in the estate of purely spiritual community, i.e. the spiritual estate, the raw proto-estate. Through the political efficacy of its organisation, however, the Church, outwardly, becomes truly active, even constituting its own guild, a political estate, i.e. the estate of the Church leaders and Church officials. These officials act in a statesmanlike manner, insofar as they appear as an organisation, as a church.

A review of the state leaders. The state leaders, which we have so far disaggregated into the state, army, church and business leaders, seek and demand an inner, higher unity. High priest = king = general, in personal unity, brought together according to the penultimate, internal demand for cohesion between these offices, i.e. the spiritual estate which underlies them. Business leadership, however, is included in the royal office only as a separate, subordinate actor. Likewise, the way of the highest elements is similarly kept separate. Here we might consider the Buddha, Lao Tzu<sup>332</sup>, Confucius<sup>333</sup>, or Plato, Aristotle, Plotinus<sup>334</sup>, Meister Eckhart, Schelling, Hegel, and in every case one always finds that the sage does not really carry out his own will, and serves only as an emanation, as it were, providing a grounding in the spiritual which he gifts to others for their actions. High priest = king = general is, on the other hand, the highest unity of action, the all-being of leadership, the trinity of the goals of action: God - State - Selfhood of the State (in its individual life as attack and defence).

**VI. The estate as teacher.** So far, we have related the individual estates and associated roles to the spiritual communities. But every estate is also suited to performing a particular function which it fulfils in its own way: as educator or teacher. The manual labourer acts as a teacher, with the journeyman inducting and instructing the apprentice; likewise for the artisans and lower intellectual labourers. On the other hand, the work of the entrepreneur, still less that of the statesman and general, cannot usually be taught, because here we find that the creative moment becomes relevant. This means that although such people engage in reformatory activity, the term 'teacher' is not so applicable. The teaching estate in the higher sense is thus in fact made up of the creative spirits, the sages. Both in that they act as a living role model and in that they reveal new truths, thoughts, feelings, forms of life. They are the actual life-teachers and in all the essential aspects are always the final impulse that the human race

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<sup>332</sup> (Ed.) Ancient Chinese philosopher, the founder of Taoism sometime between the 6<sup>th</sup> and 4<sup>th</sup> centuries BC.

<sup>333</sup> (Ed.) Confucius (551-479 BC): Ancient Chinese philosopher and founder of the Confucian philosophy, hugely influential in Chinese cultural history.

<sup>334</sup> (Ed.) Plotinus (204-270): Roman-Egyptian philosopher in the Platonic tradition.

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receives, the actual movers of its history. Therefore, every great master gathers a circle of disciples and acts directly as a teacher. But it is not what he directly teaches the disciples that is real and effective, but what he teaches humanity through them. (What he directly teaches the disciples remains more in the mystical, the kingdom of the church and of the state remaining perhaps untouched by secret teachings. The disciples first founded churches and states, not the Master Himself).

To summarise, if we survey the above analysis, the result is the following structure of the estates:

1. the manual labourers (anchored in the sensual-vital life);
2. the higher labourers, who can be divided into artisans and performing intellectuals (those no longer anchored solely in the sensual-vital, but also in a higher spiritual life, however in this respect only in an essentially participatory role);
3. the business leaders, workers who are creatively independent in economic-organisational terms, but in all other respects are more anchored in the sensual-vital, or at best still only participate in the spiritual life;
4. the leaders of the state, those who are creative in moral-organisational terms and who essentially only participate in the higher spiritual life; a special subgroup of state leaders form the higher (independent) warriors and priests;
5. Finally, the sages or the creative estate of higher learning, which is only improperly an estate, and whose creations are first passed on by a mediating spiritual estate.

Looking at the succession of all these estates as a system of ranks (hierarchy), it is fundamental that each lower level is spiritually guided by the higher level, according to the spiritual law of life which pervades all communities and federations: "the subordination of the lower to the higher". Thus, all the estates seem to stack one on top of the other. Every lower level depends on the higher, so the second estate of the artisan and intellectual depends on the third, and both the second and third at the same time depend upon the highest creative tier. The lower level uses everything that comes down from the highest spiritual value, despite being walled off from it. The lower level is the befriended, the higher level is the friend. The unconditioned, formative, active faith given by the lower to the higher estate gives an unbridled energy to existence, makes the impossible possible, namely, it gives the inner, veiled unity of the whole a real, outward form, captures the incomprehensible;



the communists know nothing of this creative power, in their zeal to equalise everything.

Of these estates, 1-3 (lower and higher manual labourers and lower intellectual labourers along with the business leaders) may be summed up as the economic estates or nourishing estates; the estates covered under 4 as political estates (including military estates and the political priesthood); and finally, the penultimate estate as the actual, creative teaching estate (which also includes the spiritually creative part of the priesthood).

Relating the above classifications to Plato. In Plato's state the following three estates are present: the estate of nourishment, the estate of warriors and the estate of the wise. The latter alternately emerge from a life devoted to research and wisdom to exercise the leading political functions. However, the warrior estate is also a political estate. Our classification is more richly structured, but, as can be seen, is closely related. Ultimately, a classification of the estates will never avoid the basic functions in society, which result in the need for an estate of nourishment, an estate of defence (political estate) and a teaching estate, because the essential requirements are thus met; everything in any way essential sits at the heart of ancient wisdom in social matters, without which we can never move past the exterior and get to the kernel of issues. However, one will need to move from this first-order, simple distinction to a richer structure and sharper definitions. Above all, today it is the economic estates that have to be divided and cannot be grouped together as a single source of nutrition. Our most important distinction in this regard is the special position afforded to the organisers of the economy or business leaders. Further, and in this I see Plato's only real mistake; it is meaningless to give political leadership to the class of wise men. This estate is inappropriate for such a task because political leadership requires a peculiar type of mind and aptitude (and not the highest). The sages are the teachers, and so in the end the supreme leaders, whether in the context of all humanity or a particular political estate. (This relationship can be found in Aristotle and Alexander, Rousseau and Robespierre<sup>335</sup>, Voltaire<sup>336</sup> and Frederick the Great). However, even exercising a power as grand as that of the state is not their role or their talent. Instead, the political estate, while being of the value which it represents, the spiritual moral substance which it organises, is so only as if separated by the thinnest partition. Because of this it can have the coldness of the eagle's eye. If this separation did not exist, its ministers would be driven into the position of the sage, turned

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<sup>335</sup> (**Ed.**) Maximilien Robespierre (1758-1794): French leader of the Jacobin faction which toppled the monarchy in the French Revolution of 1789. He would later be executed by the revolutionaries themselves.

<sup>336</sup> (**Ed.**) Voltaire (1694-1778): Pen-name of François-Marie Arouet, a French Enlightenment publicist and satirist who gained notoriety for his attacks on the Roman Catholic Church and French monarchical institutions.



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inward, and incapable of enacting outward business! Plato also sought to overcome this difficulty and to overcome it by making the wise men temporarily devote themselves to political affairs. However, he forgets that the orientation of the mind directed inwards cannot be changed so easily.

The last great concept in Plato's state, one which agrees with the above-mentioned construct, is worth emphasising: belonging to an estate must be determined by the degree of spirituality which a person possesses. Education (according to Plato) guarantees each person the highest possible degree of spirituality of which he is capable. Therefore, for him, general education, state education, is necessary. We will return to this point later, where, once again, we will assume a different position.



Apart from the relation of the estate to its foundation, the spiritual community, which we have hitherto considered in isolation, also important is the division of the estates according to the peculiarity of their means, a matter to which we now turn.

### **B. The Classification of Estates According to the Nature of Their Means.**

First and foremost is the above derivation of the estates from their spiritual foundations and the consequent direction of action. However, still important are those differences which necessitate the peculiarity of their means, a kind of hidden, inner differentiation. This results in estate formations which are structured both horizontally and vertically. With the peculiarity of the economic means (which alone come into consideration here), the following division results:

1. Agricultural estate (raw materials industry).
2. Commercial estate (refinement and finishing industry, an urban estate).
3. Trade (including money markets, i.e. banking, stock exchange, finance or circulation estate).

Within these estates is again the division into labour carried out by the dependents (workers) and the self-employed (entrepreneurs, who are often also manual labourers, but at the same time: organisers).

This division of economic estates has been commonplace since ancient times and is deeply entwined with the ways and spiritual form of a people. Adam Müller characterised this spiritual form in his *Elemente der Staatskunst* (1809) as follows: the agricultural, landed estate preferably contains a rooted,

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conservative, as it were, womanly-preserving nature; the commercial, urban estate, on the other hand, preferably contains a mobile, productive, as it were, manly nature; the mercantile or financial estate is characterised by the predominance of free, physical capital, and thus contains an element of a forward-striving, as it were, youthful nature, whereby this estate truly becomes that of movement, bridging the antitheses of the conservative landed estate and the productive urban estate. Adam Müller adds as a fourth estate the intellectual estate (intellectual capital) or teaching estate, which administers the (inhibitory) intellectual capital and thus brings about the final equalisation; an extension that I cannot approve of, since there is here no longer a reasonable classification of means. The intellectual estate is to be determined by the intellectual content itself, whereby we find the above-mentioned five levels of spirituality, from the lower manual worker to the sage.

As important as the classification of the nature of the means is in itself, it is incomplete, and a systematic reference to the spiritual content, to the community basis of each estate, remains essential. (Here Adam Müller basically follows Plato). Within the division, valid and real, between agriculture, commerce and trade-finance, the spirituality we find in each remains as the deepest fundamental difference: in the nature of manual labour (in which, because of its lack of spirituality, the property of the means is given the greatest importance); higher manual work and lower (performative) intellectual work; after this comes the organisational and creative work of the entrepreneur (which however, only stands out in the free, commercial transport industry, and is not significant in agriculture). Only then do we arrive at the political estate and the highest intellectual "estate", which is probably not an actual, not an active estate, but the true light and life of all men and of all spiritual existence.

The division of the economic estates according to the peculiarity of their means should not be neglected, in accordance with everything said previously, but it should remain valid only as a subdivision of those estate groups which result from the purely spiritual organisation of humans! However, as such (especially among the lower and higher manual labourers), it is of utmost importance.

Even in the political estate, a classification according to the nature of the means is possible. One can distinguish: 1. the statesman, or the political estate in the narrower sense; 2. the warrior estate and 3. the priesthood. In all three, the means are different, but exactly the same is true for the internal, spiritual-moral substance, which must be summarily organised. Therefore, here, the classification according to the nature of the means coincides with that according to the nature of the spiritual foundation.

At the highest creative-spiritual or educating level, the means recede into the background, and division can therefore be made here only according to the nature of the spiritual contents (poets, artists, researchers etc.).

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In addition to the relationship with Plato discussed earlier, the question of the relation between our division of the estates and the practical conditions of the present is of interest here. We will have further opportunity to consider this (p.235). What is involved here is only the recognition that the estates and their elements developed above all, throughout history, from the inner core of all social strata and estate structures! It is true that neither the present situation nor any earlier historical society will develop purely those spiritual and active estates which we have derived above; but never will any social reality be able to deny that their respective configurations, estates, or estate-like group formations have the above-described elements and tendencies in their interior foundations. The knowledge of this endoskeleton of every society, especially today, could only lead to the above conclusions.

Although the consideration of the current tendencies toward estate formations is to be made later (see below, p.235), it is appropriate to take a look at today's classes (or more generally, the estates which they conceal) in relation to their own to spiritual condition.

Here is our addendum on the spiritual state of today's classes, grouped according to the above classifications. To discuss the spiritual state of today's classes or estates is probably the saddest business of the social scientist.

The backdrop is the individualistic, materialistic basic orientation of the zeitgeist, which we have already encountered. (See above, pp.71-72 and 79). The most serious damage that has emerged from this basic orientation has to be the Marxist influence on the masses of the working class. This is the most important movement among the manual workers. Its driving impetus is not so much found in the needy than in the uncertain condition of the external situation; then in the endless monotony of the mechanical, dependent way of life and in the lack of professional contentedness; furthermore, the uprooting that results from both of these factors, i.e. the stagnation to which corresponds the destructive, warlike class viewpoint; something which divorces, uproots the worker twice over, even while it wishes to achieve the status of spiritual community. Everything comes down to the completely materialistic, basic orientation of the mind at its worst. Poverty, meanwhile, and I would like to emphasise this fact in contrast to today's socialist-influenced opinion, doesn't really play a fundamental role. The terrible impoverishment of the working class after the Napoleonic Wars, at the time of capitalism's beginnings, was impressively described by Marx and Engels in their writings; but it was, to a great extent, the fate which follows war (it was the post-Napoleonic period!) and, according to my conviction, also conditioned by the overcapitalisation, the stormy capitalist development which saw goods stocks in the national economy intended for consumption transformed into means of production (e.g. iron in machines instead of building materials for dwellings). Misery in that sense is no longer present in any country. Especially in the most prosperous capitalist countries: North America, England and Germany, a gradual but uninterrupted



rise in the working class has taken place; but it has not even been prevented from appearing in other countries. While the sting of misery gradually dulled away, the wage struggles of the trade unions along with social policy, which represented the old, drawn-upon estate relations, met with great success, and the political and cultural alienation and opposition of the working class has since become more and more acute. The worker was better off before the war (though not today) than fifty years prior, and yet his attitude towards the other groups in society has become all the more hostile. In some respects, however, his professional position has been made less pleasant despite external improvement. The ever-widening division of labour and expansion of enterprises has produced much more purely mechanical, soul-destroying work, which in turn causes the worker to hate his profession (we can point to the Taylor system and similar efficiency measures; however we must also point out the proliferation of highly skilled workers who are not only better off, but are also able to enjoy the work of their hands). But this inner development for the better as well as the worse was knocked off course completely due to the two things already mentioned: the class struggle, and the terrifying, materialistic attitude (arising as a consequence of the basic Marxist orientation) which still carries the threadbare mantle of an ideal in the future liberation of all men by the communist society, but in truth its adherents annihilate all reverence for the law (for to them, laws administrate class), science (for to them, science is a tool of class power), religion (for to them, religion is only a paid labour for the purpose of dumbing down the working class), and before all other spiritual powers they tear down every restraining barricade the spirit has erected against the avarice of matter. Here we must repeat what was said about Marx above: the true evil of his economic doctrine is not so much the theoretical errors, but the complete lack of faith in a higher essentiality of life. However, where the cold-hearted sceptic extinguishes every gleam of the supernatural, the raw materialist and rationalist necessarily follows in his wake to gear life towards an arithmetic greed. But this feature is the basic characteristic of individualistic nature. Here, the real social misfortune of our time, the spiritual corruption of the working class, has its source. If one delves into the misfortune of these people, one can only begin to appreciate how difficult it is to lead them out of their present situation, for whoever does not freely join himself to what is spiritually superior, bowing to it, the way upward is blocked, and he destroys all he has. His soul cannot live, only self-destruction is his doing.

This picture is no longer so sharp for the higher manual labourer. Due to his level of skill, he can take more pleasure in his work and existence.

The lower intellectual labourer differs from the higher manual labourer in terms of a more or less extensive education, i.e. he differs in knowledge, in qualification. Once given this formative influence, the intellectual labourer has a support system which is rarely entirely overturned. But he cannot reap the harvest of this education, since he too is inspired by the materialistic zeitgeist,



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albeit in the much milder form of bourgeois liberalism and enlightenment (as opposed to the Marxist variety). Due to this, he too has been deprived of the nobility of spirituality, which was supposed to be held above his life, and has been pushed out into the wasteland and dissatisfaction of materialism.

The archetype of the entrepreneur, today's business leader, is above all characterised by energy, independence. The latter conceals the creative-organisational side of his essence; the former is the prerequisite for thought and planning to be put into action. Moreover, the small and large entrepreneurs are very detached from one another. Intellectually, the smaller ones almost completely fall in with the manual workforce, though never those at the very bottom, since they are at least qualified. However, this difference should not be understated, because the intellectual attitude of the entrepreneur is based on self-reliance, on the joy of work. The same goes for the large entrepreneur, at least where he has not worked his way up from nothing, that is, has enjoyed a higher education and instruction, usually quite materialistically calibrated, thus gifting him the intellectual attitude of the worker despite a certain degree of education (probably akin to the level of an elementary school teacher). That is, he is a mere subaltern in terms of higher education. This is explicable, because the creative-organisational talent, though something thoroughly spiritual, is entirely attached to economic matters; it is thus fatal. While the aristocrats of earlier eras counted as a trait their respect for the spiritual powers, including them in their social code, in our big businesses, such a feature appears to be entirely lacking and any exceptions would seem to be a miracle. Here I see one of the biggest shortcomings of the spiritual constitution of our time. If our entrepreneurship were motivated by the determined will to spend part of its wealth on charitable needs of art, science, popular education, social policy and other spiritual or general ends, then capitalist economics could have been left to its own sociopolitical development. No Marxism, no similar social poison would have been able to shake it out of its course, which would have been a transition to genuine class relations, a rapid development of social and spiritual ties (of which we will have more to say later). The very consciousness of the masses that the wealth generated with their help is being transformed into higher goods of life, and that it also benefits them indirectly, would have become a brazen shield which no arrows of venom and envy could pierce. How much good could have been created in this way is shown in Germany by the example of one city; Frankfurt am Main, where at the turn of the century the cooperation of a handful of rich people (Merton<sup>337</sup>, Hallgarten<sup>338</sup> and others) sufficed to

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<sup>337</sup> (Ed.) Wilhelm Ralph Merton (1848-1916): German-Jewish industrialist and philanthropist who focused strongly on humanising the economic landscape through scientific means. He helped found the University of Frankfurt in 1914, which is today called the Goethe University of Frankfurt.

<sup>338</sup> (Ed.) Charles Hallgarten (1838-1908): German banker and philanthropist.

swiftly create an astonishingly lively social and scientific policy affecting all of Germany and unleashing movements which were finally realised at the University of Frankfurt.

However, overlooking this train of thought, one must confess that it is a delusion to demand, from an attitude set entirely on the economic, external estate, the promotion of a spirituality, which, by its very nature, must be aloof. The goal, however, is different: this energy should be directed towards the economic, and beyond this, the estate must be connected to a higher spirituality by a veneration of authority.

Our age suffers the deepest lacking in our political and governmental estate. Wherever the great mass of politicians, journalists and party functionaries come into consideration, we see only a mirror of the political ideology underlying the parties in question, of the ideas underlying the professional and labouring estates. But even when we look at leading statesmen, they are, of course, the mirror of our individualistic, at heart uncultured, zeitgeist. Of these, only a minor exception can be found among those politicians who, according to their party platform, desire and intend to fight against the prevailing zeitgeist, as do the conservative, the völkisch, the social-political and the Christian groups. Rationalism, materialism and enlightenment have penetrated so deeply into the pores of all thought today that even those who want to be the true opponents of these modes of thinking cannot escape them. The conservatives often only answer the materialism of the workers with their own materialism, much like the entrepreneurs.

A fundamental turn of the zeitgeist to higher things is necessary to create change. The fallacies of rationalism and materialism must first be traced back to their individualist-atomist roots, be inwardly recognised and exposed before they can be overcome. Only then can the statesman organisationally secure, protect and promote the moral cause of harmonious living, if he knows what the moral element is and what the nature of community life is. A new spirit must create a new life; this life must secure and cultivate the new spirit.

How far the whole spiritual order of today's society is removed from that spirit, which is the natural product of a properly constructed estates-based society, will only become clear later.

## § 30. The Basic Characteristics of the Estates

*Κοινὰ τὰ τῶν φίλων*

“All things in common among friends” - Pythagoras<sup>339</sup>

We have spoken above of the general nature of the estates, as limbs which express totality, and in turn, (on pp.187 and especially 189) as something which is a specific totality in itself. Taking this as a starting point, we can deduce the following basic properties.

1. The basic economic characteristic: an “estate” necessarily includes a kind of cooperative nature. Again and again, the investigation must return to the root fact that the primary and innermost aspect of society is the spiritual; and that this spirituality neither unites homogeneously nor fragments without direction, but instead builds up in relatively closed, unified strata. From this follows the infinitely important, basic insight which should be central to all sociological and economic education from childhood on (and which we already covered when we discussed equality): equal means are only possible for the circle of like spirituality, and the same goes for equal purposes.

This insight can already be found in an ancient declaration attributed to Pythagoras by Diogenes Laërtius, which plays a fundamental role in Plato’s “state”, namely, “all things in common among friends”. Only among friends, among true friends! For only these have that total, homogeneous spirituality, that full homogeneity of ends for which means arise, the application of which makes such ends possible. It is not really friendship held in common by friends, but common spirituality which forges friendship, and which requires common means.

This notion of the estate as a similarly special circle points to the incompleteness of all forms of general, economic communism, and from an entirely new angle, the incomprehensibility of a real community of property and equality at such a scale. But it also clearly shows how the community of property (or its related forms), in the narrowest sense, in a spiritually identical circle, is entirely natural or at least possible. This explains the communism of the primitive Christian community, the monastic orders, sects, and similar, closely linked, cooperative groups.

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<sup>339</sup> (Ed.) Plato, *The Republic* 424a.

But due to the fact that the estates represent only a wide circle, constituting not a close, intimate circle of friends with full, all-embracing spiritual quality, the sentences: "all things in common among friends", and "equal means for equal ends" are not strictly applicable or accurate, but apply only in a wide, loose sense. The spiritual equality of the wider, more comprehensive circle, grouped in the form of the estate, is never so great as to create a true community of property, true communism, but rather: the spiritual commonality that exists only in broad strokes can endure only a broad economic cohesion, not communism, not equality, but rather general cooperativeness, a differentiated, gradated community: the loose, gradated, spiritual similarity of the estate groupings requires a loose, gradated, economic community.

We call this loose commonality "cooperativeness" *par excellence*, because it refers to a generally occurring and differentiated (graded) community.

Further: an economically cooperative society is not uniform throughout the entire national economy, but corporatist, structured, or if we were to give it the desired name, guildish. Also, this guild cooperativeness is in itself, again, structured in a gradated, loose, spiritually flexible fashion (more on this later). Only a wholly atomistic conception of the economy could aspire to a centralised collectivisation, affected throughout said economy. Once again, as previously, we see the central "planned economy" as an expression of the atomistic conception of economy and society. However, society (and the economy that serves it) is in fact not unified, but stratified, not atomistic, but corporatist, and so the true nature of the economy is not based on communism, but on cooperativeness within the estates, a guildish cooperativeness.

2. The word "estate" embraces inner self-determination in the guildish sense, a well-structured estate being the sum of spiritualities with a more or less common purpose. An "estate" is therefore based on a certain ethos of unity among its members. "Unity of sentiment" thus exists, once again, not in the wide circle of all the state's citizens (as atomistic-socialistic egalitarianism thinks possible, to emphasise this difference again and again), but in the narrower circle, in the circle of the estate. This "unity of sentiment" is also a unity of action, again, in the narrow circle of the guildish estate. The unity of mind and action which exists only for a relative few in a corporative circle alone therefore forms the basis for what individualist theory falsely presupposes in the whole state, namely: respective or relative equality, equality among equals: here lies the slogan which the Universalist conception raises against the natural law slogan of "liberty and equality".

On this basis, the self-government, the self-determination of the estate is a given from the outset as both appropriate and natural. Estate matters are necessarily specialised matters and are thus best dealt with by the experts themselves; hence the slogan "equality among equals". Accordingly, "democracy" should prevail only where equality is not based on artificial



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egalitarianism but on natural and social conditions. Where a group of individuals are the same, they should have self-government, self-determination, "democracy", but only in their own affairs and no further. As something peculiar and particular, the estate itself has its own purpose as a member of a greater whole, being subordinate to it (as the shoemaker is subordinate to the cobbler). The fact that their deliberations are monitored by state commissioners, that their decisions can be overruled by higher-level public authorities, therefore follows with equal necessity. Without this placement of the estates into the context of the whole, their self-determination would, again, entail anarchy.

The appropriateness of this development follows once more from the concept of the estates: an "estate" is not only a division (differentiation) of the *ur-estate*, but a division of values. Each of the estates is therefore indispensable to the whole, while not being equal to one another. "Estate" is therefore defined both in terms of ambit and application. On the other hand, atomically speaking, only a differentiation between individuals (and groups of individuals) whose particularity remains a matter of subjectivity would be possible.

From the required self-government of an estate and its declared position in the totality of all estates, it follows: that no estate is made "politically emancipated" (to borrow a common slogan); that each estate is politically "emancipated" as appropriate according to its position and abilities; and as a whole the state follows: the people governed by the sovereign are politically emancipated insofar as is possible in each case according to faculty; those of equal emancipation have an equal say in government, even if this say be principally remote.

This self-determination of the estate has an infinitely important aspect allowing it to outstrip the present centralised democracy: the personal character of the relations between its individual members and its leadership, whether this be local or national. The fact that the governmental functions of the individual here do not integrate themselves into a completely abstract state machine, do not derive from quite general questions, issues and principles of statecraft, but instead take place within the unified, transparent, vital circle of the estate, means that they receive and retain an entirely personal character. The estates-based state is therefore a community interwoven with personal relationships, from living, personal relationships extended to the level of a community, instead of the abstract, mechanical, impersonal relationships between the individual and the whole which prevail in today's democratically centralised state.

(See below under point 6, p.221).

3. The estates-based state, being an organism, itself consists of organic structures. The "corporatist" model of state means the organisation of the whole, means the existence of several small estate organisations, i.e. smaller organisms, just as the living body is thoroughly organic, everywhere consisting

of cells, organised at the most minute level. While the democratic state wants to consist of a house of uniform atoms, while in fact being amorphous, the corporatist state is a state through and through, a structure through and through, the big picture consisting of nothing but smaller wholes, not a uniform mass of unmediated elements, unmediated citizens. The small wholes are not immediately connected to the centre of the totality but mediated by belonging to collective associations of guildish estates, estate organisations and groups.

4. The integration of the individual into his estate means preservation rather than competition. As each individual finds himself integrated into a whole, the estate, he is also saved, protected, sustained and strengthened by the integrity of the estate and its internal and external forces. In the individualist order, competition is the dominant factor, where the individual hangs in the air, gnaws at the uncertainty of existence which lies at the innermost core of life, and continually awakens the combative, violent nature within. In a corporatist society, competition should not and cannot be completely absent, but it will take a back seat and, above all, only those individuals who are willing to enter this more severe and bitter arena will experience it. Thus, the severity of competition will not be denied to those spirits that can be spurred on to greater and newer developments of power, be it in the economy or in the closely related spheres of life. He who shuns it can be carried by the whole and enclosed. Such is the different spirit in the corporatist society as opposed to the present.

5. The spirituality of the corporatist society. The spiritual character of a corporatist society is quite different from that of our society today (as we have seen above, pp.71-72 and 77). Today, the vigorous individual prevails, with energetic, ruthless natures placed alone in the saddle, the upper social strata being possessed primarily with the talents of vigour and action. Vitality, movement, the constant expansion of all external possibilities of life, but also the highest degree of externality itself, are therefore the primary characteristics of capitalism and the politically atomised society. In the corporatist society, on the other hand, the contemplative individual also has a full opportunity for life; tranquillity, inwardness, collection, therefore will determine the spirituality of the corporatist society to an infinitely greater extent than is the case today. Whoever compares the portraits of the Middle Ages with today's scenes, will find in the former a vastly greater wealth of inwardness, individuality and peculiarity than today. A comparison of the manuscripts of that time and today is known to bear the same witness.<sup>340</sup>

In the corporatist state, the individual, by virtue of being elevated as part of the whole of the corporatist association, by his membership in this

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<sup>340</sup> See Philages, *Graphologie*, 2. A.

(Ed.) I was unable to find any information on this text.

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association, himself becomes the "estate", in the sense that he has some ownership over it, that he manages something of the estate. A guild's master craftsman, for example, is himself an "estate," again, so long as he forms a whole with journeymen and apprentices; the journeyman is an "estate," so long as he does this with apprentices and the master. With this foundation, the individuality and talent of the individual can develop adequately in the Universalist order of life. Therefore, a greater permanence will prevail in a corporatist society than the society of today.

If "estate" in this sense means something particular for the individual, then on the other hand, the estate must take its place within the whole. This again provides the appropriate counterbalance to individuality: the whole, which must absorb and integrate the particular into itself. Whereas in the individualist state, everywhere arbitrariness and atomistic activity prevail, here there is harmonisation, equipoise, mutuality, whole encounters whole instead of many individuals encountering many individuals, leading to abundance upon abundance rather than poverty upon poverty.<sup>341</sup> The corporatist society is made up of organic, small totalities, and must therefore always seek within itself a balance, a mutuality. The state built on individualism lacks this compulsion towards inner balance, it lacks the law of equilibrium; instead it embodies mutual annihilation through competition and the fraudulent assumption of equal value through citizenship which opens up the possibility of mechanical, glacial<sup>342</sup> inequalities and a grotesque pell-mell. (Example: changes in the life of the state in the USA after the election of a president from the opposition party, which leads to the replacement of great civil servants; changes that find no justification in the life of the totality, nor even in the differences of party ideas!) This jumble was to be counterbalanced by the purely constructive relationship that brings the citizen into equal and unmediated relation to the sole, central state power; an exceedingly barren and bloodless nationalism, which wants to free the life of the individual from the spirit of state life, of community!

6. Freedom and equality in the corporatist state. The estate includes equality within its circumference, relative equality (as stated above); because this is the actual equality and bond which exists, and additionally it liberates the individual (within these limits); it grants those liberties which can exist in the midst of these bonds, which are owed to the individual in question. Every citizen of the state thus enjoys freedom and equality, but not the same freedom, not the same equality; nor freedom and equality full stop, but rather: a) the "liberation"

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<sup>341</sup> (Ed.) As in many cases where Spann refers to the 'poverty' of the individualistic society, he means this in a spiritual sense.

<sup>342</sup> (Tr.) The word here is *geschiebeartigen* and refers as a descriptor to geological drifts which result in erratic stone or crystalline deposits of varying sizes.



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or freedom resulting from bonds, and b) only the "equality" or "parity" which follows from the similarity of the estate's members, to which we gave the formula; equality among equals! Accordingly, everyone has rights to go along with their duties, but not the same rights, not the same duties, but only the rights and duties proper to his station; and again, in subdivided gradations.

Here we once more encounter a most instructive antithesis to individualism, to atomism: neither freedom nor equality, which are derived from the abstractly conceived individual, and which engender his loneliness and impoverishment, but: that divorced, gradated freedom and gradated equality, which, being derived from the subject itself, alone embody the fullness of life.

Here too, light is shed on the spirit of corporatist society. Firstly, it features the greatest vitality and fullness through attachments to what is similar (to an "estate"); and through limited freedom within such bonds. On the other hand, the preservation and facilitation of this relative, gradated equality is achieved through the division of the unequal, by grading society according to its spiritual substance and the consequent groupings of function. Thus, harmony, personality, spirituality.

7. "Estates" do not lead to centralisation, but decentralisation. The civil service in the corporatist state contrasts with today's crisis of officialdom. The described relationship between equality and inequality, freedom and bondage, also clearly shows us (as has already been demonstrated at the level of principle) that the corporatist structure works against the centralisation of the state. Atomism, meanwhile, necessitates centralisation. For now, everyone is an equal atom and must necessarily be in a direct relationship with the entire government. "One people, one government"; we are already familiar with this necessary basic maxim of the democratic-individualist state, applied in several contexts.

By contrast, the corporatist society necessitates: mediation in the relationship between individual and state, which allows for the self-determination of the state and the development of overall organisation arising from the self-determined sub-organisations (rather than directly from individuals). We repeat: the corporatist structure of the state means decentralisation and mediation. In the corporatist state, it is not the atoms (citizens) that make up the whole (state), but the partial wholes (estates) that make up the total whole (state). In such a state, on the one hand, the partial wholes and partial powers become independent, and are both balanced and liberated in relation to their own constituents. On the other hand, the totality is clearly composed of such subsystems, thus decentralisation manifests itself. (Namely, "estates" emerge).

Decentralisation also entails that the authority of the estates comes not from below but is passed down from above. The lower tier (according to this concept) does not delegate sovereign power to the top, as in democracy, but receives



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from the higher totality its integration and place, with only its inner life remaining free according to the principle of "equality among equals".

If, however, the relative exceptional position of the estates means that they live their own relatively independent and self-determined lives, from an organisational perspective, this means nothing less than the following: that all centralised government and leadership, the centralised state of civil service as we see it today, is against the nature of society, and leaves us in the crisis of the bureaucratic state, which is today rightly spoken of as tremendous but unavoidable, as the civil service only continues to grow. The centralised state is either: 1. the state of the enlightened, absolute princedom; 2. the likewise centralised state of a liberal-constitutional or purely democratic nature, and finally and most importantly; 3. the centralised state of socialism, insofar as it is conceived according to the model of the planned economy. The more disproportionately the number of civil servants increases, the more not only restrictive, but clumsy and useless the bureaucratic machine becomes.

Wherever centralised government appears, an atomistic state construction is its basis, i.e. the official is an organ of a single, centralised state power which seeks to grasp everything directly. "One people, one government". Therefore: many officials, the structure of official power from the central body down to the smallest local body (this setup being found at its most sophisticated in France, and the opposite in England, whose state still contains a great deal from the Middle Ages); in principle, all of these officials have their will determined by the highest central authority.

On the other hand, the corporatist structure of society, in placing the independent, corporatist bodies on the side of that central power, will lead to the total dismantling of the civil service, in particular the dismantling of the centralised officialdom. In the corporate, corporatist state, the need for the official and the actively involved leader essentially collapses! Let us illustrate with an example. The guildish master-craftsman is at the same time an official of his profession, managing the affairs of his estate, and in part a civil servant of the city administration (provided the guilds are part of the city government), all of this occurring at the same time! The feudal landlord is a judge and knight at the same time as he is moreover a civil servant, in his capacity as a steward of a multitude within his fief. Or in modern times: workers are also union board-members, accident insurance institutions, exercising management and administrative functions; the members of the cartel are at the same time its officials, insofar as they carry out such functions. Of course, these officials have their own clerks, i.e. their subordinates, their full-time staff; yet their will is not determined by a minister, but by the guild-quorum, by the cooperative, and part of the work is always done voluntarily, something impossible within the great state machine.

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These considerations give us a fundamental insight into the very different structure of a state in which the estates are preserved and active as independent bodies (instead of being absorbed by a centralised egalitarianism); an insight which I would like to formulate as follows: in the corporatist state, the officialdom and active leadership of the state is driven, as it were, into the limbs. Not only does the estate provide the functions of civil service (preferably in a secondary capacity) through its own members, thereby minimising the gigantic, centralised bureaucracy required in the egalitarian state (be it absolutist, liberal or socialist); but in addition, even the stewardship of the individual has an official character, insofar as the guild member supervises, assigns, and puts people to work within an organisation.

Historically, it should be noted that there has not always been an independent, political civil service to the extent that has been achieved since the beginning of enlightened absolutism in Europe. The more constitutions and states have maintained their corporative character, the less present and perceptible has been their civil service. The independent officialdom is therefore not a great achievement of historical development, but a step backwards in relation to the estate structure, appropriate function and voluntary service to society.

The beneficial effects of the Prussian officialdom are a phenomenon that should not be denied here. But they were possible only because the circle of civil servants emancipated themselves from mechanical centralisation as well as from the democratic, centralised dependency. They fulfilled their duties as: a review board, permeated by the highest sense of legality, duty, a certain idealism and professional honour. Wisely, the civil service not only overcame the hireling spirit to some degree, but also the centralising tendency, precisely as a result of this, and as far as it became its own independent review board, standing as an "estate" between the nation and the government (or monarch).

## § 31. The Alternating Inter-penetration of the Estates. Substitution.

(Affiliating the estates and their substitutes)

Where the separation of the estates differentiated in our table is strict and rigid, as is so often the case in history; this contradicts the nature of society. This is due to the fact that the estates in their inner spiritual essence are not completely self-contained, but only have a relative independence, have only a little something of their own, or in other words: their independence and idiosyncrasy is accompanied by a complete reciprocity, an alternating inter-penetration. No estate leads a completely distinct life, rather; each estate to a certain extent is also another estate. This phenomenon is fundamental. It is the one that precludes any kind of class struggle, and which characterises the conflict between classes as an expression of disturbance, degeneration.

The agricultural estate is also everywhere a political estate, in particular, a military one. Wherever there is universal suffrage and conscription, this goes without saying, since everyone is a politically active or passive citizen and joins the army. Where, as in the Middle Ages, there is a guild constitution, it is also evident, since the guilds as such conduct a certain amount of state and local politics (e.g. with respect to the nobility) and are armed (the armed citizens or "Spießbürger"<sup>343</sup>). Even where absolute forms of constitution prevail, these effects must assert themselves through the position of power that is inherent in the economic masses by virtue of their weight, albeit in a mediated form. The lower class of manual workers also belong to the intellectual estate; provided that they participate in the higher spiritual goods of culture through their education, however poor, but above all through religion and morality. In fact, the lower classes only constitute an estate insofar as they take part in the highest spiritual goods of the spiritual ruling class, or else they constitute foreign bodies in society, estranged storehouses of slaves. Indeed, it is precisely the inner relationship of unity with the highest spiritual goods of culture which constitutes the ultimate criterion of an era, a constitution, a political system, a social order. Where unity is so overwhelmingly established as in the Middle Ages, there is culture, there is a perfect society; where it is absent, as the current gulf between education and ignorance demonstrates, there is the most imperfect society, there

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<sup>343</sup> (Tr.) Literally pikeman. Refers to urban infantry who acted as town guards during the Middle Ages but who were not knights.

is barbarism. Corresponding to the nature of society itself, the agricultural workers and their estate in its entirety, conceived as a spiritual estate, show an intimate (even if only mediated) participation in the spiritual goods of the highest strata, a bright reflection of spirituality.

The political estate is the agricultural estate insofar as it serves "higher-order capital" in the economy, insofar as, for example, the orders of the judge in the commercial court, the commercial treaties of the statesman, and the administrative activities of the official are "economic means" for the merchant and the business. Where there is legal certainty, where secure, sensible administration offers the economic actor all the means he needs to develop economic relationships with others, "law", "state", "administration" is everywhere an "economic means", a capital of the greatest importance, but a capital not produced in the course of business itself (hence "capital of a higher order"<sup>344</sup>). In this sense it can be said that the political estate is the most active agricultural estate, but only indirectly. Where it does not achieve this purpose, it is in a state of sickness: bribery or a rigid addiction to authority, bureaucratic nature and the like. The political estate is also the most active estate in terms of defence, insofar as the political leadership decides on war and peace and is the guardian of the totality. In terms of the spiritual, the political estate is both a spectator and a productive participant. It is a spectator when the statesman must be receptive to the spirit of his time in order to organise it (as is his profession), but it also actively interposes through this organisation of what is precious and grand, leaving some to themselves while pushing back upon and suppressing others.

The creative-spiritual estate is most distant from the others. Although it is the ultimate source of everything, from economy, technology, organisation and all higher life content, all such relations are mediated. The purely theoretical mathematician, for example, who finds the formulas by means of which the necessary calculations are carried out when building bridges is far removed from the actual craft of bridge-building and its techniques; nevertheless, he is the enabling cause of those calculations. And so, in general: by handing down the order of life, in determining and cultivating moral values, the creative-spiritual estate is the ultimate source of all statesmanship (thus the spiritual state is, even more so than its political counterpart, the most active agricultural estate).

The relationship to the political estate is intimate, in that it takes on the ideas of the creative spirit and, in an organised sense, plants them in the order of life. Hence, the work of the great politician is partly a struggle against outsiders, and partly a struggle for one's own ideals, but these ideals are not those that he himself creates. The limbs of the spiritual estate are not entirely

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<sup>344</sup> For more on this, see my *Fundament der Volkswirtschaftslehre*, § 10 and 14.



### *The Alternating Inter-penetration of the Estates. Substitution.*

creative people (one must not be limited to thinking of Buddha and Christ here), but in many aspects of their lives they are only participants and imitators. Such is the case of the researcher, who creates independently in his own field, but otherwise, as a teacher, for example, mainly performs repetitive intellectual work, and as a person may perhaps be a philistine. He therefore participates in both the functioning of the agricultural estate and the political estate, and belongs to the highest, creative estate in only one aspect of his being. As stated above, the highest spiritual estate exists only improperly as an estate, since it never becomes a truly active or even a guildish estate.

The greatest distance lies as a gulf between the manual labourers (both upper and lower) and the estate of the wise. The highest wisdom is beyond the reach of ordinary man, for him it exists literally as a mere potential, and only through veneration and longing can the lower participate in the higher; what is best accomplished through faithful emulation, through voluntary submission to (spiritual) authority. Conversely, the agricultural worker of the lower estate for the purely spiritual man, exists only as an extrinsic companion, as quite simply a human being, a child, as such a primitive to the point of being almost beyond direct communication. What applies to the two outermost estates is that they only know each other, as it were, from hearsay, one being almost a mere potential for the other. Such an arrangement can be found in the organism, where everything is closely connected, stomach and intestine, digestion and blood, but not digestion and brain activity, which have no direct connection, but only an incredibly mediated one.

Plato's state does not do justice to the above-mentioned alternating inter-penetration of the estates, which corresponds to the nature of things. His conception suffers from a fundamental weakness in that the soil-cultivating and earning population is completely excluded from the use of arms, from the warrior class. This creates a rift and a separation, an aspect of caste that significantly disrupts political and spiritual unity.

The described alternating inter-penetration of the estates, in basic terms, means that the estates may be reduced to each other (but only in the sense of a tendency that can never be completely fulfilled, otherwise democratic homogeneity and levelling would possibly result). You can put it this way: "every estate is a martial estate" in the hour of need or even in the state of a general armament and conscription, while "every estate is an agricultural estate" in the state of general activity and useful integration into the whole. Only the affiliation of the lower estate with higher and the highest spirituality of the loftiest spiritual peaks, is more difficult, more unreachable the greater the education of the masses. After all, in the state of general education, the highest spiritualisation that is possible may be indicated by the following sentence, with a restriction applied to it: "every estate is a teaching estate", but only, as said, insofar as it is able to participate in the higher spirituality, and reproduce it. If superficial enlightenment and Marxist socialism believe that by increasing the

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means of education and improving the upbringing of all people, they might raise them to the highest levels, this only stands as proof that the representatives of this doctrine never rose to higher education. There can hardly be a worse mistake, a worse misunderstanding of the human soul, a greater lack of knowledge of human nature.

The described alternating inter-penetration and reduction of the estates is also the reason for the extensive ability to mutually substitute the estates in their activities. Anyone who has ever given time to studying the organism knows that when organs are injured or in some way damaged, others take over their functions, e.g. the right hemisphere of the brain takes over for destroyed speech centres or movement centres in the left hemisphere; or: in the case of a stomach that has been removed due to cancer, the intestine takes over its digestive functions. So also in the social organism. Under certain conditions, each estate, as has already been shown, takes over the tasks of the former estate as "a last resort"; under certain circumstances, anyone may take up the work of the ruling estate (the political estate), as the history of revolution shows, where estates previously excluded from power regularly seize control of the government: everyone either rules or is ruled. In any case, each estate is always an agricultural estate (already described in terms of the "capital of a higher order").

Of course, such substitution has its limits, but history shows how flexible these are in all the upheavals of a social, political, economic and spiritual nature. (For example, when the lay estate takes over the priestly functions during a Reformation). Additionally, what we learned during the war about "substitution" in the economy (the substitution of one commodity, one raw material with another), that which put to shame all the calculations about the confinement of the Central Powers, about submarine warfare, etc., exists to a great extent in all social phenomena and is only possible through the inner unity and inter-penetration of all areas of life and, as a result, all of the estates.

## § 32. The Historical Conservation of the Corporatist Conception of Society

If our view of the nature of society, according to which it is divided into spiritual tiers, and of the state, according to which it is naturally divided into estates on the basis of this spiritual stratification, is correct, history must show that it is everywhere, in the final analysis, only states with economies established on a corporatist model that can be found, and other states represent unsustainable, morbid corruptions and blurrings that are against the nature of things.

I would like to make the assertion that history only really knows estates, and that the blurring of the estates by democratic states has never really succeeded. Both political atomisation (democracy) and economic atomisation (capitalism) have succeeded only in part historically due to the nature of things. The democratic and capitalist waves that broke out again and again in history, crashing through weary and rigid corporative orders, could only ever replace these with other corporative ties in the place of old, strict ones, but could never truly eradicate the corporative structure! Our individualist-calibrated historiography (as is the case with German legal history, which is all too Romanic) has of course never examined the question, and only recognises this form in its most pronounced case of feudalism, failing to see its looser, freer forms, and thus, will be most scornful of the following claims.

Pronounced corporative constructions of the state and society are evident in many examples: Ancient Iran<sup>345</sup> and Persia<sup>346</sup>; Sparta; Ancient Rome and late Rome; also the old Germanic state (which still has to be discussed) and the Middle Ages. What can be regarded as an excellent characteristic of the Middle Ages, the corporative ranking of its members, is in fact a universal characteristic of all history, of all times, of all peoples.

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<sup>345</sup> For more on this, see Schultz, W. (1921). *Staatslehre und Staatsleben der alten Iranier* in the *Herdflamme* collection. Vienna: Wila, Vol. 6.

(Ed.) Wolfgang Schultz (1881-1936): Minor German cultural historian and esoterist, a collaborator of Spann.

<sup>346</sup> See Droysen's account of Alexander the Great in the *Jahresbericht des Instituts f. Osten u. Orient* (1918). Vienna: Hüfing, Vol. II.

(Ed.) Johann Gustav Droysen (1808-1884): German historian, widely considered to have pioneered the *great man* theory of history in Germany.

The verdict on the medieval state is unfortunately tarnished today by Haller's prevailing theory.<sup>347</sup> After all of the foregoing, however, it is no longer necessary to say that Haller's "patrimonial theory" that the medieval state should be reduced to nothing but private contracts (which would in fact render it no longer a state!) is fundamentally erroneous; this view is rather based in the Enlightenment, and in spite of Haller's polemics against Rousseau, it looks at the state in an even more individualistic way than he did, as being composed of nothing but private contracts! It is true that, on the contrary, the medieval state consists of nothing but public-law relationships, namely relationships between estates and corporations, and such legal relationships cover private law in such a way that, understood in individualist terms, it no longer exists; feudal rights, guildish legal relationships predominate!<sup>348</sup>

On the other hand, an attempted atomised levelling and centralised blurring of the estates is always emblematic of democracy and capitalism: the Athens of Pericles and the subsequent period, where democracy prevailed (the seeds already sowed with Solon's constitution<sup>349</sup>); democratic, and sometimes absolutist Rome; the absolutism of the Enlightenment period; the liberal capitalist age from the beginning of the French Revolution. In Athens and Rome however, the guild and class system was never completely eliminated, levelling democracy proving unable to definitively demolish the inner structure of society (but it could destroy the whole development and culture of those epochs); clarified absolutism left large parts of the feudal estates intact, and to a greater extent, the guild system, and even in the mercantile industrial system, constructed as it was on privileged status (moderate privilege defines its special arrangements, equality not even being conceived of in this area), a large element of class structure was necessary; even the centralised civil service was given the character of transferring the powers of princes to appropriately trained circles, the civil servants themselves, as it were, a college of expects with a flexibly corporatist inclination, and so levelling centralisation was bent against its will (as already shown above, p.224).

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<sup>347</sup> Haller, K (1816). *Restauration der Staats-Wissenschaft*. Winterthur: Steinerischen Buchhandlung.

(Ed.) Karl Ludwig von Haller (1768-1854): Swiss conservative jurist, a staunch opponent of the French Revolution and the writings of Rousseau.

<sup>348</sup> See below, pp.238-239. Escaping the atomistic spell is also the outstanding work from Below, G. (1914). *Der deutsche Staat im Mittelalter*. Vienna: Die Chroniken der deutschen Städte, Hist. Bibl. 1, und Hintze, Staatenbildung, Deutsche Bucherei 100/101.

(Ed.) Georg Anton Hugo von Below (1858-1927): Minor German economic historian and collaborator of Spann.

<sup>349</sup> (Ed.) Solon (630-560 BC): Ancient Athenian statesman whose legal reforms are credited with laying the foundations for democratic government.



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More than anything else seen in the course of world history so far, the French Revolution and the other liberal revolutions and reforms that followed in Europe did away with the corporative structure. But with what misery for the working class, with what ravages of everything spiritual, of all inner culture, was this bought? Nevertheless, it turns out that even these most barbaric efforts could not completely suffocate inner nature. Politically, the electoral privileges of the property-owning groups (census, class franchise) created a kind of substitute for the corporative structure, and where later this ceased to exist, the electoral cliques of certain groups had to do the same, as is particularly evident in the example of America. Economic formations (unions, cartels, combines) have pushed even more for the establishment of corporative ties, as we will see later (see below pp.233 and 241).

Not only in the general history of the state, but also in economic history do we find (with the lone and, as we have just seen, only partial exception of the last hundred years), at all times there were only corporatively tiered economic orders among peoples; a truth that our liberal, atomistically deluded historiography of the age has not yet discovered, but which is in fact visible at the surface level if only one recognises the inner structure ultimately necessary in the abstract for economy and society to exist.

Neither the original communist social systems, those of Laveley-Bücher<sup>350</sup> and Morgan<sup>351</sup>, nor those taken up by Engels and Marx, Kautsky<sup>352</sup>, Bebel and others, ever existed; nor can an order similar to the communist economic constitution itself, given in German as "Markgenossenschaft" and conceived according to the until recently prevailing doctrine (equal portions of the land, "gewann", which are periodically redistributed to prevent property disputes) be claimed in the face of critical source research. Dopsch<sup>353</sup> has shown that the communist-style market cooperative did not exist, and therefore there was no

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<sup>350</sup> Laveleye, É. (1879). *Das Ureigentum*. Leipzig: Brockhaus.

(Ed.) Émile Louis Victor de Laveleye (1822-1892): Belgian economist who focused on primitive concepts of property. Karl Bücher translated the above work into German.

<sup>351</sup> Morgan, L. (2004). *Ancient Society*. New York: Adamant Media Corporation.

(Ed.) Lewis Henry Morgan (1818-1881): American anthropologist who achieved fame through his studies of the Iroquois people.

<sup>352</sup> (Ed.) Karl Johann Kautsky (1854-1938): Austro-Czech philosopher and Marxist theoretician. He was considered by many to be the most prominent authority on Marxism between the death of Friedrich Engels in 1895 and WWI.

<sup>353</sup> Dopsch, A. (1918). *Wirtschaftliche und soziale Grundlagen der Europäischen Kulturentwicklung*. Vienna: Seidel, Part 1. Also, Part 2 in 1920.

(Ed.) Alfons Dopsch (1868-1953): Austrian social and economic historian specialising in medieval Europe. He forwarded a positive view of the epoch, in contrast with established academic opinion.

"equality" of the public domain (neither in economic nor political terms); that rather, rulership and richly structured economic tiers prevailed among the Teutons in primeval times, and that nobility existed as a political class in these same times; that furthermore (in the economic sense) town-like environs and markets existed even in Inner Germany in primeval times, that the economic foundations of the Germanic orders were therefore not purely agricultural, but rather, free trading, money and commerce can be demonstrated, and that even on large estates the closed home economy (natural economy) was not really achieved<sup>354</sup>; in spiritual terms there remained the importance of having one's own priesthood. Even if Dopsch's research is viewed with scepticism, there is a great deal of the estates to be found in the rich structure of the free and unfree, and especially in the retinue and the cult. That in Persia, Athens and Rome, on the other hand, there were always guildish ties and other economic structures of a traditional kind is well known and taken for granted in economic history. The same applies to the primitive peoples studied by ethnology, where, because the nature of their situation never allows, no form of communism, economic or political equality is ever to be found, but always and exclusively subdivisions, corporative group formations.<sup>355</sup>

Wherever the gaze of economic history turns, in the final analysis it can be seen everywhere that structures, dependencies, class ties of all kinds are what have filled economic history from the beginning of time. This cannot be otherwise, it is the inner essence of the thing, persisting in the substance of the "things" that make up economy and society, just as it is in the nature of a developed organism to consist of different, unequal organs and structures, rather than a homogenous mass.

The purely historical view corroborates a result of earlier theoretical investigation.<sup>356</sup> Communist orders are only possible at the extreme limits of society and the economy, namely where there is an enormous spiritual unification, which of course then appears to be restricted to a narrow circle of people. Such was the case in the early Christian congregations, in some

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<sup>354</sup> The existence of city-like suburbs is perhaps the least historical result of Dopschian research; however, it is backed up with economic logic, which cannot be fully summarised in the domestic setting, and thus commercial and market centres must necessarily be demanded. See also the essays on *Stadt*, *Stadtverfassung* and *Handel* by Schlüter, Seeliger and Stein in *Reallexikon der Germanischen Altertumskunde* (1913-1919).

(Ed.) Wolfgang Schlüter (1848-1919) and Gerhard Seeliger (1860-1921) were both minor German economic historians. I could find no information on W. Stein.

<sup>355</sup> Schmidt, M. (1920). *Grundriss der ethnologischen Volkswirtschaftslehre*. Stuttgart: Ferdinand Enke, Vol. I.

(Ed.) Max Schmidt (1874-1950): Minor German ethnologist.

<sup>356</sup> See above, pp.177-178 and 217.

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monastic associations, orders and other brotherhoods of a special kind. Only where insight, disposition, will and character have reached an unheard-of degree of agreement and unity in the narrowest circle, only there is historical and conceptual communism, and thus true equality, possible; "all things in common among friends".

If there is anything suitable to confirm this truth, it is the development of today's capitalist society itself. This violently tore down all estates boundaries (especially in France) and yet it had to leave a lot of things in place against its will, while sometimes a new organic structure emerged from the self-generated confusion owing to internal laws. Guilds, brother shops<sup>357</sup> and certain other guild-like associations could never be completely eliminated. Free competition on the world market, that which the doctrine of free trade alone promised, could never be realised (where it seemed to be the case, freight protection, tax protection, subsidies, export premiums and administrative protections of all kinds have effectively abolished the duty-free regime, i.e. new special statuses, relationships, and groupings have been created). But the marvellous thing is this: in the midst of the fiercest free competition, the cartels and cartel-like monopoly groups formed on the part of the companies, and the unions and union-like associations formed on the part of the workers, and thus, before any true break with the grand design could occur, new estates automatically arose in place of the old, lost and destroyed ones, however such structures grew only in a temporary and wild fashion, unlike the planned ones of the earlier period. Equalising-atomistic competition nowhere gives rise to a completely atomistic coexistence, able to produce or maintain complete freedom for all actors, but rather brings about binding and structuring everywhere.

Regardless of whether the eye looks to the present or the past, the reality is that state and society everywhere are arranged in a corporative structure, and the recurring capitalist slumps that can be observed in economic history (the slumps of the individualist epochs) could not change that. And why corporative? Because, in order to repeat this idea over and over again, there is spiritual diversity in society, because from the ultimate spiritual differences there follow different life tasks, directions of life and therefore different basic ranks in a free spiritual community. These various basic spiritual ranks then form the basis for the structure, gradation and organic combination that make up the "estates".

The estates structure is such a basic fact of all social and state history, it is the rock on which the surf of individualist, liberal, democratic and (what an enormity of a word composition!) social-democratic waves must break; today, just as it has happened a hundred times in history. If the waves don't break, the

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<sup>357</sup> (Ed.) In German, *Bruderladen*. These on-site organisations provided medical care for workers in the mining and industrial sectors, often having a confessional basis.

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rock will break, i.e. society itself, the spirit that dwells in it as an ethos and culture; this has also happened many times in history, as the Bolshevik Revolution and the destruction of Greece attest.<sup>358</sup>

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<sup>358</sup> We refer again to Pöhlmann. See p.185.



## § 33. The Guildish Composition of the Estates

### I. The economic estates

The most important question today, with respect to the reorganisation of society on the basis of the estates, is the order of the economic estates, whereas, in the Middle Ages and antiquity, the reorganisation of the political and the more spiritual estates was always the most important. Today, the purely economic estates come to the fore, not because the economic question in itself is of primary importance in determining historical development, but because in an individualist society where the economy has been left to its own devices, this broadest area of life has been placed at the mercy of a terrible neglect.

The first requirements for the future design of economic estates are as follows. First of all, that the development be based, in an organic and planned manner, on what is already there; and furthermore, that the classifications to be striven for should not solidify at their limits in a kind of hereditary nobility or subservience, but that freedom to transition from the lower to the higher tiers as well as the necessity of returning from the higher to the lower tiers be basically preserved.

The core question, however, concerning the ins and outs of a new design, is then: what inner order should be given to the estates according to their nature? Previously we had the general principle of "loose togetherness", the "gradated, guildish cooperative", as was appropriate to the nature of the estates. This principle now needs to be determined in more detail and applied to today's reality.

The focus here is on two points: the internal and external structure of the future cooperatives and the property regime. We first consider the latter.

#### A. The Property Regime in the Corporatist State

For the guildish cooperatives themselves, it follows from all that has been said thus far (and will be confirmed later) that by their nature they must be professional estates, professional associations. For the principle of ownership, of dominion, the following consideration is decisive. The estate is a large circle of people in which full equality is impossible. Since everything can only be held in common among true friends, the communist concept of property (which can only be implemented with full inner equality) cannot be implemented within an estate. Additionally, however, this means that private property cannot actually

be abolished; it must, however, receive a corporatist solidarity of a charitable nature, an element of mutuality. If one calls to mind the "gradated, loose mutuality", which we saw was founded in the nature of the estate, and applies it under all aspects, the result is that the totality of the estate is not strictly uniform, but subsists economically in quite different and gradated individualities (both according to the enterprise as well as the economic sector) and also spiritually through a wide range of individual differences. The control of property should therefore be entrusted to the individual but monitored by the sub-associations and estates (the sub-totalities), and only lastly by the state as a whole; a form of private ownership limited by the state and the estate. With this we obtain the first general proposition for the identification of a corporatist property regime:

1. Private property exists in a formal sense, but in terms of substance, there is only common property, in that private property belonging to the individual is there to serve the partial totality (the estate), and the property of the partial totality serves the overriding totalities (the estate associations), and in the end these serve the final totality, the state.

That property takes the form of private property corresponds to the great individual diversity that prevails within the estates, as well as the great mobility and vitality that the body of the economy must grant at any moment in accordance with the development of population, market size, wealth, technology and consumption habits. Compelling the use of privately-owned resources in service to the public good, meanwhile, corresponds to the indisputable, basic principle of mutuality, which determines the nature of the estate both in its own internal structure and in its place within the totality of the economic and social body.

The compulsion to manage private property in the public interest can be implemented:

a) In a purely negative, defensive manner, so that any obviously harmful application is prohibited or combated.

Here are some examples: rejection of patents, design protections and trademarks for harmful inventions, products, types of goods; heavy taxation of unreasonably low-class, inartistic or immoral luxury, and at a more general level: planned influence on consumption in the sense that reasonable, simple and appropriate mass consumption is sought everywhere. (Because the economy is the balance between production and consumption; not just production!). This should not only influence the design of the tax system accordingly (whereas up to now the tax system was largely determined by the convenience of the finance ministers). Sugar taxes, salt taxes, milling taxes, meat taxes and tolls are all eyesores for a correct consumption tax policy. In addition to the

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means of tax, administrative means must also be applied in the broadest sense, accommodating trade which facilitates correct, desired consumption, while suppressing and complicating the process for others. (Customs duties, railway tariffs, postal regulations and similar means can be used for this). Finally, the utilisation of purely intellectual property must also be subject to influence in the same way, e.g. by putting theatre, cinema and musical performances under the supervision of artistic advisory boards.

b) In addition to the defensive approach, the obligation to use property in a manner beneficial to the public good must also be instituted in a positive, active manner. The war legislation featured examples of such requirements levelled by the state on private sector activity: the compulsory cultivation of agricultural products, the compulsory hiring of unemployed people to generate certain things for the markets during critical times, demands and prohibitions placed upon certain raw materials for use in certain industries, and especially, the regulations protecting tenants from landlords, along with many, many other examples. If we conceive of the economy being, for the most part, managed in a guildish, cooperative manner, then it is clear that government demands, requirements and prohibitions all impose a compulsion towards the guildish use of private property in the interest of the public good.

The realisation of the desired state (in which all private property exists as such only in its external form, while being substantively public through compulsive measures surrounding its use) will always remain an ideal, rarely to be achieved in all instances of ownership and use. However, the socialist construction, which wants to convert all means of production into the property of the state, must necessarily fall far short of the ideal. This is due to the fact that in such circumstances, capital is atomised, i.e. killed; while under private ownership (in addition to the directly cooperative estates system) life and adaptation are guaranteed. The guildish-cooperative effects of the type mentioned above will sometimes curtail this life, but not kill it. It should also be borne in mind that the influences on private property here are again diverse, i.e. are not only of a state, but also of a municipal and guildish-cooperative, i.e. local nature.

What follows results from these considerations:

2. Private property acquires the inner character of a fief through public benefit influences, even if it does not in fact take the form of a fief but remains private property. This sentence might appear a tautology on top of what we have already said, but the truth is that it is intended to clarify the difference between



our concept of property and that of state property. In principle, this property is not held entirely in common, but as, in the basic sense of the word: a fief, i.e. it is a type of property whose administration for the public good is to be effected (by the superordinate ownership of the totality), while not at the same time being managed by the totality itself.

According to this view, there are two elements in the standard concept of property: first, the public benefit, the service to the whole; and then the subjective, the service to oneself, the self-interest motive, which gives property and the public good their concrete position in relation to the user, a completely different, underlying reality. The good should also serve me, and it should therefore be entrusted to my care and bondage; it is thus grafted onto my person twice. The first point encompasses the public benefit regulation of property use, the second the special bond to a specific person, the private form of property. Both of these elements, however, participate in the point of honour, given the fact that the totality has entrusted me with property, has gifted me a fief. Hence honour is then a primary concept among people of all estates and ages.

The goal is that the egoism of the private becomes only a form, the public benefit being more determinative; only then is the vivid unification of both sides of reality in the property phenomenon successful.

3. In addition to the form of private property, fief property in the direct sense, i.e. the legal-technical sense, can also be found.

The feudal influence on private property, in the indirect sense that the arbitrary, subjective use of it is restricted by penalties and regulations of all kinds, has long been in the spirit of recent developments ever since the peak of individualistic economic declarations was passed and social policy began to advance.

However, the development continues today: a whole series of approaches have recently been launched to cultivate modern fiefdom in a legal-technical sense. The heritable leasehold, the secured rental property, and rights of residence are clearly fief-like legal forms; also, cooperative forms of ownership, such as, for example, collective use of machines, credit and mutual insurance, the obligation of employers to pay contributions to workers' insurance, and especially the indispensable, overriding employment contract; these are all legal phenomena that contradict the liberal, individualistic conception of private property, which already in a technical sense can be described as forms of fiefdom. When a superordinate legal entity makes claim of legal right above formal property, there is, in effect, a kind of super-ownership; and thus the character of a fief is bestowed, with the purpose of individual administration under regulation for the public good. In this sense, modern lawyers have in fact already declared that the obligations a general employment contract (collective



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agreement) imposes on a company are a burden (understood as a legal object), similar to the burden of secured property ownership or rental.<sup>359</sup>

Let us consider the basis of the collective bargaining agreement in a system of guildish, cooperative organisation of the commercial professions, and realise that according to such a construct, the private ownership of the means of production would not only have the internal character, but the technical and legal form of feudal property.

Here, the following historical self-reflection would have its place: the fief-like concept of property, in the most general sense (not in the legal-technical sense) is not a product of the particular developments of the medieval era, but rather exists as a general concept of all legal epochs not marked by pronounced capitalistic tendencies, and is a particularly Germanic concept, indeed, perhaps the Germanic concept of property par excellence, because it corresponds most closely to the Germanic being, which is based on structure, not juxtaposition. The Germanic state and economic system, which is based on loyalty, the retinue, guilds and super-ownership rooted in economic inequality (for the alleged equality of the market cooperative, see above, pp.231-232), could do nothing with the abstract-individualist concept of property typical to the Romanesque view. (Even the German legal saying "God, not man, makes heirs" illuminates this). In general, Germanic law was based on the correct idea that this matter was just another aspect of morality, duty and belief in God, that it formed a unity with them. Even Wotan<sup>360</sup> only had a fief claim to earth until the twilight of the gods; so also the king has power from God, the overlords and their entourage, down to the father of the house in relation to his servants and family. The Middle Ages immortalised this way of thinking under Christian-mystical influence, and Meister Eckhart probably explained the concept of fief-like property most deeply and beautifully: "Rather we should hold all things as if they were lent to us and not given, without possessiveness, whether it be body or soul, senses, powers, outward goods or honours, friends, relations, hearth and home, or anything at all".<sup>361</sup> The Universalist view must return to the relative

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<sup>359</sup> So Boos probably first observed, with respect to the collective bargaining agreement under Swiss law. See his essay, *Der Gesamtarbeitsvertrag, nach Schweizerischem Recht* in *Deutsche Geistesformen deutschen Arbeitslebens* (1916). Munich: Duncker & Humblot, p.171. Here, Boos rightly discerns that a collective bargaining agreement creates "super-ownership" on the part of the manufacturer, and "sub-ownership" on the part of the workforce.

(Ed.) Roman Boos (1889-1952): Swiss sociologist and freelance writer.

<sup>360</sup> (Ed.) The most revered of the ancient Germanic gods. The reference to the "twilight of the gods" here refers to *Ragnarök*, the end of this world.

<sup>361</sup> (Ed.) This quote can be found in *The Complete Mystical Works of Meister Eckhart*, p.518.

transience of the individual, while the whole remains. Temporal property of the individual, eternal property of the whole. Only the whole owns itself.

Private property also presupposes the difference between private and public property, a difference that only individualist, self-contained, capitalist thinking can imagine, concealing as it does a lack of immediacy and vitality in legal thought. The individualistic zeitgeist gave to us this pestilent, Romanistic legal concept, to which our trade lawyers, lacking a philosophical education, have been wedded for a long time, and even the Germanists have mistreated and vilified their own treasure, like a Cinderella, praising and wooing instead a strange, false beauty. Real German legal thought knows neither strictly private property nor a fundamental difference between private and public property. The future must achieve both ways of thinking.

4. In addition to the private and feudal form of property, there is also room for the form of public property in a corporatist society, namely the public or collective property of both the sub-associations (e.g. the workers' associations in the guilds) as well as the estates and guilds themselves, the estate-associations, and finally that of the municipality and the state.



The overview of the property regime which we have unfurled shows features of the greatest versatility: limited private property, feudal property, collective property of the estate, the municipality and the state. But such versatility is necessary for the economy's survival. Individuals, guild associations and the state; all have their appropriate stomping grounds according to their strengths. Also resulting from this is a guideline for the measure and distribution of liberties and responsibilities. They depend on the level of public duty inherent in a particular sector. The general principle behind distribution and the degree of influence imparted to public interest should be: the more vital a particular trade is, the more public duty and benefit should hold sway over it; the less essential to life, the less spiritually fundamental a trade, given as it will be to arbitrary and secondary needs and spheres of life, the less bound, the freer it should be. This gradation and stratification of the forms of ownership and (that which results,) commercial forms of business, ensures maximum vitality and mobility with the highest level of appropriateness. In this way, in particular, a field is opened up for those with agile, free and unbound natures, as well as the simpler, more constant and contemplative types; since there is neither a shortage of quiet civil service positions nor free stomping grounds for various activities. Because of the rich mix of organisational forms and types of activity, there is thus a way of life for every basic spiritual form. It strikes me as an important prerequisite required of our statesmen, for economic peace, for social calm and for the vitality of development, all at the same time.

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The social order of life should always be taking stock of whether the following principle is being realised: each to his own, as appropriate for him, within the framework of the totality, within the framework of his highest spirit. The corporatist order with free movement of talent will offer the correct path to realise this

After these basic discussions, we move to corporatist associations themselves, especially the professional estates.

### B. The Professions and Professional Associations, Especially Those of a Commercial Nature

I emphasised earlier that the reorganisation of economic life in the corporatist sense must not artificially and violently introduce new structures but must build on existing ones. Now, Marx, as we saw above, absolutely believed in the development of large companies, as a pervasive, necessary "causal law"; and he believed that the large company as a collective entity was to be regarded as the preliminary stage of nationalisation. This is far from true, since large companies (as we demonstrated above, pp.138-139) show no inner inclination, let alone a causal "law" (!) which drives them to expand to a universal scope and thus submit themselves to nationalisation. What does exist in real state-owned companies is a justification for nationalisation based on a particular public benefit, for example, the Eifel Railway<sup>362</sup> for reasons of warfare, transport policy and general economic policy, similar to the great arms-producing factories of many countries; for economic, transport or financial purposes we might consider the post office, telephone and telex lines, and state monopolies such as tobacco, powder and salt; and for the purpose of traffic and community policy we might consider the combinations of various companies overseeing trams, electricity and gas works.

The movement towards a uniform, overall enterprise, a single state property, is asserted as the most striking thing in the development of the large-scale life of the capitalist economy; yet in fact, there are completely different structures that display a tendency to encompass the entire commercial economy and thereby expand indefinitely, namely:

The unions on the one hand, cartels and cartel-like combinations on the other, both linked by the collective agreement; these are the foundations of the future corporatist development of the economy. Between the two special groups, the trade union and the cartel, there is an economic form of unification and action that has received far too little attention to this day in its fundamental, formative, developmental tendency along corporatist, guildish lines. The

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<sup>362</sup> (Ed.) Another name for the Hürth-Kalscheuren-Ehrang railway in Germany, completed in 1871.



collective bargaining agreement or so-called *Tarifvertrag*, the collective labour agreement.<sup>363</sup>

This, which already has a very universal tendency to spread, and finds purchase not only in large industries, but also (and even more so!) where fragmented, small and medium-sized businesses predominate, must now be examined in more detail. It will prove to be the main pillar upon which the new corporatist society in the commercial sector is to be founded.

### 1. The Collective Bargaining Agreement as the Basis of the Trade Association Bond

As is well known, the collective bargaining agreement consists of workers' associations or workers themselves concluding contracts with entrepreneurs or employers' associations for wages and employment. Through these contracts, a guildish bond emerges from the employment relationship as a whole, since wages as well as work, working hours, working methods, shift changes, workers' representatives and all other aspects of the employment relationship can be and are truly included.<sup>364</sup>

However, as indicated above, the collective agreement attains fundamental importance for the reorganisation of our economy: insofar as it facilitates a move from a common, holistic regulation of employment relationships to a truly organic connection between cartel and union. This connection creates from trivial working regulations an entire professional code of conduct, from the coexistence of trade union and cartel to the final form of a unified guild. Where a collective agreement applies, there are two specific tendencies in this vein which feature an internal, logical necessity:

firstly, the tendency to coerce entrepreneurs and professionals who lack loyalty to the agreement into employers' associations or otherwise render them innocuous, e.g. through strikes or union embargo, and in this sense the workers act as an agent of cartelisation within the enterprise;

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<sup>363</sup> (**Ed.**) A collective bargaining agreement (also known as a collective labour agreement) is a formal contract negotiated between employee unions and management, which regulates the terms and conditions of employment, including the regulation of wages, benefits and dispute resolution.

<sup>364</sup> The best overall treatment available currently is found in the above-mentioned work by Boos on the collective bargaining agreement under Swiss law. On economic associations in a more general sense, we recommend the well-known works of Liefmann.

(**Ed.**) Robert Liefmann (1874-1941): Minor German economist. Probably referenced here is his *Die Unternehmerverbände (Konventionen, Kartelle): Ihr Wesen und ihre Bedeutung* (1897). Freiburg: Mohr.



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the second tendency is to implement price tariffs in combination with wage tariffs, because it is natural that the common regulation of what is often the most important part of the cost price, namely labour costs, would also include an attempt to collectively fix minimum prices for goods. In the course of this, however, not only is an employment relationship established within the collective agreement, but also a price regime, at least as applied to base charges, which in turn combats outsiders and dirty competition, rogue traders, i.e. a consistent aggregation of the entire industry in general emerges, in the sense of a cartel. This also corresponds to the inner tendency of the collective bargaining agreement to expand locally, encompassing neighbouring communities not covered by the association, lest they gain supremacy through competition. This effect applies in particular to the more fragmented crafts. "In the crafts," writes Boos, "where the associations (of the masters) do not have the money and power of the associations of large industrialists, real cartels are often impossible [...]. Collective bargaining is often a direct replacement for cartels. Contracts that at first glance appear to be normal collective agreements are partially disguised cartel associations."<sup>365</sup>

If the wage tariff is accompanied by a price tariff in all sectors (such as first in the Swiss, German and Austrian book printing industry and since then in many other cases), this today already means a guildish price regulation, collectively determined by entrepreneurs and employees. How infinitely different is such a price determination, both from the one-sidedness of entrepreneurs simply doing it themselves through the cartel, and the "centralised" version, found where the socialist planned economy has nationalised production. The senior director of the centrally planned economy must (if an unmediated allocation of goods does not occur naturally) work out an entire network of prices, the individual approaches to each necessarily having something bookish, calcified, even arbitrary about them, since there exists no reliable basis for calculating prices if the planned economy is completely closed off!<sup>366</sup> Indeed, it has primarily been the black market that, as far as I can see, has corrected and continues to correct state prices under both Béla Kun and Lenin. On the other hand, those prices and wages that are set by the entire guild with due regard to the sustainability of the market, the production costs, the capital and developmental power of trade, the workers and wages, in short, all the vital necessities of trade, are never loosed from the warm pulse of life, and maintain their necessary adaptability. The entrepreneurs, in association with the workers, have a perspective on the circumstances in which they live and work, with which they have grown up since childhood, which the senior director and his assistants at the desks of the main office overseeing the

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<sup>365</sup> Boos, R. *Der Gesamtarbeitsvertrag, nach Schweizerischem Recht in Deutsche Geistesformen deutschen Arbeitslebens*, p.171.

<sup>366</sup> See the note on p.169 above.

planned economy could never have. Pricing under this arrangement is set by basically the same mechanism as under capitalism: market party meets market party. However, there are entire estate associations which make up a market party, and thus the price conflict is fought with completely different forces, possibly resulting in severe shocks. However, since workers and entrepreneurs are linked to their industry sector in solidarity, it is to be hoped that such price conflicts (like wage conflicts) remain based in healthy reality and moderation.

In accordance with all we have said thus far, it would not be a stretch to say that the collective bargaining agreement has at its starting point the creation of a professional code of conduct from simple working regulations, and thus the bringing together of the two entities: worker and employer, to form a professional association, a true guild. The collective bargaining agreement, therefore, clearly emerges as the formative and summarising force that creates that unified, total connection, the organic components of which then become the union and the cartel. The trade union and cartel form the natural subdivisions (sections) of the guild (the professional association).

It seems certain to me; that the correct development of the situation, immediately brought about by the collective agreement, consists in: the statutory creation of professional associations, obligated to conclude collective agreements to organise every guildish profession, no matter its form.

This demand is so appropriate to the development of our economy that it does not represent anything new. Not only the middle class is aware of its various forms. From a sociopolitical point of view, an expert like Lujo Brentano suggested a long time ago that compulsory organisations of both entrepreneurs and workers might be created, whose task it is to conclude collective agreements. Of course, it shouldn't stop there. The organic consolidation of the entrepreneurs' and workers' organisations into one permanent association, which also assumes other tasks, completes the structure thus created.<sup>367</sup>

If the professions, or guilds as we want to call them, are created in this way, then (as already indicated) the entrepreneurs and workers will each form their own, relatively independent sub-divisions or sub-associations within this overarching organisation of the guild. Wherever the situation is such that there are strong unions and at least signs of employers' associations, the formation of a guild (a compulsory professional association) can be started immediately. The decisions of the guild, like those of its subdivision, are fundamentally to be approved by the higher authority.

Due to the variety of occupations that are common in most large industrial companies, guild formation can no longer be the uniform process it was in the Middle Ages. In large-scale industry (but also in some craft trades, e.g. in the construction industry), several professions are regularly combined; therefore,

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<sup>367</sup> Ibid., p.433.

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parent organisations are required. If, for example, the unions of painters, foremen, metal workers and saddlers conclude a collective agreement in a wagon factory, these associations must also meet with the general association of wagon factories. In this, the guild, the employers will therefore constitute a uniform group, but the workers will, so to speak, only act as representatives for the divisions (sections) of their respective trade unions (painters, woodworkers, saddlers, etc.). Similar would be the case of all industrial officials. In this way, the workings become more complicated than they used to be; and it is precisely due to this that manifold, connecting and balancing threads must be woven from guild to guild. Through this connection with more central associations, the individual guild and its sub-divisions gain the necessary integration into the entirety of the trades, and thus ultimately into the entirety of the national economy. It is now neither possible locally, nor in the sense of an individual branch, for peculiar, unhealthy developments or a straying from the overall style to emerge.

It goes without saying that employers and employees in the overall association have the opportunity to discuss all questions at any time; but it will also be possible to hear from the representatives of workers and entrepreneurs in the sub-associations. When the intervention of the supervisory authorities does its part, true totalities can arise.

### 2. Additional Corporatist Bonds

Now, one could object: if everything has been achieved and organised that can be achieved and organised by collective bargaining (as is almost the case today in the printing industry), then we should see a great improvement in employment relationships and industrial action: but the opposition of capital and labour, the root cause of today's social hardships, have not been eliminated.

It must now be considered that at the moment when the collective bargaining agreements have achieved their formal existence, and the union on the one hand and the cartel on the other belong to it as subdivisions, further essential ties and mutualities, which, incidentally, can already be found today, are ripe for cultivation.

From the employers' side of things, the following can be considered: common procurement of raw materials, so that the cooperative focused on this procurement will form another permanent connection (which will, of course, be followed by large purchasing associations and similar collectives, as is the case today with consumer associations); joint decision-making when it comes to defining production trends and methods, e.g. by defining certain basic patterns and forms (the typing system is one example of such normalisation, but there are now many more such prospects, which should, of course, include the participation of the workers); joint loan procurement and an internal savings system (this means that the corporatist connection will largely become its own



bank); joint sales organisations, if the necessary price and model standardisation (at all levels of production) precede. Finally: the creation of joint cooperative companies (production cooperatives of the guilds), some of which will concern themselves with pre-production, some further production and refinement, some the byproducts and waste produced by the individual companies who make up the guild membership. These enterprises could emerge from the guilds in a similar fashion to the consumer associations, their bread factories, their slaughterhouses and the like. However, with the production sequence in mind, it is similar to the example of the "combination" or "mixed economy enterprise" in the case of giant companies and conglomerates. In this way, the guild will introduce from its entrepreneurial side an important element of mutuality in the arena of its trade, which will far outstrip the tendencies of today's cartels, and give it a kind of inner self-sufficiency (autarky), solidarity. This whole development is very similar to that of the Middle Ages. The old guild also knew how to buy raw materials and master productive cooperatives.

These and similar economic cooperative formations that will arise from the guild association (or the association of several related guilds) are also intended to reduce the commercial activity within the economy, and thus raise the water table of overall welfare within the guildish society (the high average prosperity in the Middle Ages comes largely from the elimination of commercial activity through the predominantly internal unity and immediacy of the guild economy); it is also intended to increase the clarity of all production and circulation, and thus to mitigate the risks of crisis which exist in a free market economy, in the same way that giant companies and giant cartels (which are guildish in their own sense) do. It should be noted that these guild economic cooperatives do not only bring food and finished products directly to the consumer like today's consumer associations, but that they bring intermediary products directly to the producer and process waste and byproducts which must currently be handled in-house, thus the immediacy and clarity of intermediate and further production, pre- and post-production, are strengthened not as external processes, but as elements within the production cycle; an effect which is, of course, of much greater magnitude than that of today's consumer associations.

On the part of the workers (or rather, the workers and employers together) the following cooperative ties and joint functions will easily result: a common ("parity") employment certification; common regulation of the apprenticeship system and of the next generation in general; collective management and organisation of technical schools and training initiatives; and also the sociopolitical network of the welfare system; this last item already being implemented today (healthcare, accident insurance, old age pension, unemployment benefits, etc.). Also, common purchasing and consumer associations will proliferate (while today only individual factories engage with these at their own discretion, the worker having no say). Finally, a common, guildish community association which will attenuate class antagonisms through



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events held for the general welfare; conferences, festivals and amusements based on the guildish association, which, like the old guild, would contribute to the arts and civic customs. These and similar bonds, which actively link the worker to the overall betterment of the trade, will give him an estate, something that will suit him, root him once more, and exert a profound spiritual gravity, by gradually bringing back the common life, a proper concept of honour, self-confidence, simplicity and a sense of rank; in this way the class conflict and materialism of today can be overcome.



If you take a look at all these fellowships and estate ties, you can see that everything which takes the form of cooperative and non-profit cultivation in our society today, or elements even more sophisticated than these, are further developed in the corporatist society, partly in a systematic and well-founded manner, but partly in an organic summation, which, to say much more, appears to integrate everything into larger totalities as if by design, thus bringing forth a living creature, awakened to fruitful life.

### 3. The Official Activities of the Corporatist Associations

We have already recognised above how the nature of the estate association necessarily causes it to take on certain state activities, that it eats up something of the centralised state, as it were, dismantling the means of the centralised civil service. This is generally the case with regard to the regulation of its own professional affairs, which it takes out of the hands of the centralised bureaucracy piece by piece. First, it necessarily takes over certain judicial functions. Almost the entire commercial jurisdiction will now fall under the internal remit of the estate. Settlement, arbitration, low-level commercial affairs will now rest at the level where they are supposed to be dealt with, and the judicial and administrative work of today's state authorities will be reduced. The following is essential to note here: wretched "legal equality" of the current kind will be increasingly rolled back into legal gradation, legal distinction, legal differentiation, since under this system countless specialist courts will emerge, each of which will judge the equal with their equals; who will judge not by the letter, but by living customs and common sense. Equality before the law will still exist, just not in the individualistic sense, and only among equals! Thus, everyone will come before a different law, namely one which is appropriate to each matter and person. Another area to consider is general administration and taxation. The more the corporatist formations unite to form general associations with large practical chambers, the more these powerful bodies will shoulder the burdens of today's state authorities. This work is in itself not diminished by the fact that, instead of being done by state officials, it is performed by the various organs of the estates (union officials, guild officials, chamber officials),

however here, the work is partly done on a voluntary and part-time basis, some of it being done by small, open circles, for the most part devoid of any centralised superstructure; the number of civil servants and the amount of work will in fact decrease. Above all, however, the entirety of the work remains within the domain of the specialist area concerned and is therefore stripped of any centralised-bureaucratic character, along with being reduced in terms of formal legal considerations. Of course, all the labours of the estates and specialist fields must be, and should be in principle, subject to state supervision and sovereignty, so that the estate does not become a state within the state, something the German Middle Ages was sufficient witness to. (It was different in England, where central power remained strong enough). It is clear that bodies of this nature will consume an exceptionally large portion of their own funds. Internal levies within the estates will therefore relieve some of the demand on the state's tax system, with voluntary work, personal duties and corporate assets further reducing the internal tax burden. The municipal, land and state taxes should not therefore (as in the Middle Ages) become so-called tax farms, i.e. taxes which, in absolute terms, are taken over by the estates as a whole and then divided among the guild members. However, state taxes will not be able to dispense with the administrative involvement of the cooperatives (e.g. even in the case of cadastral assessments).<sup>368</sup>

The system of technical schools is already partly in the hands of the economic bodies. If these merge together into large estates and overarching associations, the system of higher technical instruction as well as scientific research (of the type today conducted by the German Coal Institute) will come under a directorship very different than today's. The system of general education will follow.

Measurements, weights, mint, currency and customs will not be transferred to individual estates, but to the aggregate of business associations, a kind of "estates house" (see p.254 below) which has the decisive word on such matters.

Social welfare remains a state matter, one of general social policy, but its provision and execution will to a large extent fall to the estates. So, for example: providing legal advice of a factual nature, housing care in accordance with the law, healthcare, scholarships and much more.

Turning now to military service. The current pacifism and humanitarianism of women and the effeminate will soon enough be steamrolled by history. It is therefore necessary not to leave military service unexamined. We should first acknowledge that military service will not be transferred to an estate in the foreseeable future (as it was in the Middle Ages, to the feudal lord, and in the cities, to the guild's "Spießburger"); but instead, just as it is today, military

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<sup>368</sup> (Ed.) A cadastral assessment is a comprehensive survey showing the measurement, value and ownership of land, especially for purposes of taxation.

service will be rendered directly by the citizens of the state. General conscription and "militarism" are unlikely to disappear from the picture soon, although the estates structure will call for a militia and a warrior class. It is at least rather obvious that there will emerge distinct military bodies within the estates. The first signs of this are no longer absent in our time. In any case, the estates will have to take on functions complementary to warfare and war administration. They will take on both administrative tasks and special activities of various kinds, such as home front rifle training, youth training, the creation of special equipment, and similar complementary functions.



Going into detail on all these things would be totally worthless. It is only important to make clear what internal restructuring of governmental duties and functions will be necessarily entailed by the emergence of the economic estates. The nature, the direction of this conversion alone can be determined and recognised in advance; it is impossible to say, in very particular terms, which paths the development will take, and such discussion is simply unnecessary.

#### 4. The Rise of the Working Class

The conflict between capital and labour is dispersed and broken from the outset wherever the corporatist structure of the requisite type is formed, for in this the worker is no longer distant from his work, left to his own devices, but is integrated into the whole. This integration into a whole is the most fundamental social change that the corporatist state brings. The worker is no longer an ignored element, with labour regulations brought about by his participation. Indeed, he takes part in the development of the entire professional code upon which the economy is based. Even those decisions taken at the level of employer sub-associations, those relating to commodity and credit cooperatives, etc. are here not possible without at least the indirect influence of the worker.

A final, key question always remains, that of the rise of the workers into the entrepreneurial class.

We have denoted entrepreneurs as business leaders. Entrepreneurs are therefore (according to their internal activities within the economic body) not those who came to their position through inheritance or chance, but essentially those whose position corresponds to particular economic and organisational achievements. Of course, to a large extent, ownership and inheritance will weaken or break this principle, but such an effect can be mitigated by a sociopolitical structuring of inheritance law and through competition from emerging entities, and in any case, the sting in the tail is voided by the necessary



orientation of property use towards the public good, as well as the influence granted to the worker himself.

Above all, it should be borne in mind that it is the respective, objective structure of economic means (company sizes, machines etc.) that determines the number of dependent and independent roles, hence why today, only a small proportion of those who are capable of conducting entrepreneurial or managerial work are considered for such positions. In smaller contexts, to whatever extent small businesses can predominate or simply exist, the able and gifted have far greater opportunity to ascend (because the guild should be denied a closed door in the form of a cardinal numerus clausus, as we shall see below).<sup>369</sup> (Further, for the great importance of this fact to artisan and craft industries, see below pp.258 and 260-261). Provisions can be made for such things, especially regarding credit; the guild's cooperative institutions might, for example, facilitate the joint purchase of raw materials to significantly aid upward mobility through capital savings. In contrast, where large companies or even giant enterprises are located, a direct promotion from the working class to the entrepreneur class is generally impossible. However, this is in the nature of things, and is not indicative of a lack of economic health. The running of a large enterprise requires commercial training, technical knowledge and business experience, things that even the skilled worker gifted with economic management abilities will usually only be able to acquire with difficulty after the fact. However, the rise to certain managerial positions is not completely closed to the working-class man. One must of course admit that in all fairness, even in the socialist economy, the worker has no better opportunities to rise to higher, senior positions. The structuring of total industrial production into workers with increasing qualifications, managers, senior managers, officials and directors is determined almost unambiguously by the nature of large companies, by the technology employed in their production processes, their size and organisation. In the centrally planned economy, the largest possible companies would be created with the maximum use of machine technology, consigning more and more workers to manual labour, with fewer and fewer able to rise to the managerial posts. Independent existences, independent entrepreneurs would no longer exist. So, as far as a worker can rise in the socialist state, namely to the rank of a low manager, he can also rise in the corporatist state; beyond this, however, he can attain much more, for in the corporatist state the objective structure of the means of production is much more varied (see pp.139-140, and below, p.258). Furthermore, many talented people from the managerial and economic leadership level will flow out into independent small enterprises, thus allowing a greater flow of personnel up the chain.

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<sup>369</sup> (Ed.) A numerus clausus is a restrictive cap or (in this case) a quota governing membership of an institution for individuals of a specific background.



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In addition, (as already mentioned) the credit unions and other public benefit institutions and provisions in the corporatist state can fundamentally alleviate the obstacle to the advancement of workers into the entrepreneurial class. Due to this, property and class conflict will not be as difficult to overcome in the corporatist state as they are today. Here, the capable are valued to a greater extent than in the socialist state, and are enabled to rise to high managerial positions. Special childcare provisions must make this ascent easier. (For further information, see pp.256-257.)

### 5. The Corporatist Order of Agriculture

The agricultural estate shoulders a far greater burden of the peace and collectivity of all than does its commercial counterpart. From the outset, its close connection to the soil brings this about, but pure economic factors also play a role, due to the law of diminishing return, processes, technology and market setup being much more stable than in the domain of trade. Here, an education on the subject of collective ties is much less necessary. On the other hand, ensuring the proper management of agricultural land is even more important than doing so for commercial means of production. The cultivation of land is a loftier function than trade work. This is because it is usually less important what someone does with a machine, with cloth and leather, than with the means of production which bring us bread, nourishment and raw materials.

The current state of complete economic freedom in agriculture is a particularly disadvantageous one. Here too, cooperatives, ties, public benefit influence and supervision, and finally, forms of fiefdom must be applied directly. In accordance with the above statements, the following few allusions will be sufficient.

Bulk and intermediate goods should not be the sole domain of management but be subject to official review and monitoring to determine whether the soil is being managed with at least sufficient rationality. Mixed commissions, formed partly by the Chamber of Agriculture and partly by state organs, must visit the sources of bulk goods from time to time in order to assess the utilisation of the soil. An excess of bulk goods is to be remedied through internal colonisation.<sup>370</sup>

Production of agricultural goods of all types and quantities are to be boosted and supported indirectly, namely through compulsory, cooperative associations which provide not only fertilisers, equipment and machines, but also assistance with sales and capital, so that a vigorous, rhythmic influence

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<sup>370</sup> (Ed.) Internal colonisation is an irregular term for moving populations internally as a matter of state policy. What Spann seems to imply here is that if agricultural production is surplus to requirement, rather than exporting this surplus, the state should reduce output by repurposing agricultural land for non-agricultural purposes.

over farming techniques and the economy in general is achieved. The collective purchase of fertilisers, the collective ownership of machinery and equipment, the collective supply of an electrical network, the collective provision of sales and cheap capital opportunities; all of this would form the basis of a rural economy, one which excluded the possibility of vast regions and large segments of the peasantry subsisting at a low economic level. Then there is the common property of these cooperative associations themselves: the dairies, the mills, the electrical networks and power plants, the machines, the savings and holdings banks, and in some places even bakeries, food dehydrators, sugar factories and the like. Guildish bonds born from common property have the effect of transforming agriculture through corporatist subdivisions, where the common property becomes intimately connected to private property, all under the influence of the public benefit.

Then we come to the fief-like property form of the heritable leasehold, buildings and farmlands under lease and homestead rights, all manner of encumbrances and obligations adhering to the land as such, and all of which transform the land into a commodity unlike any other, a special, immovable commodity subject to public benefit considerations. Finally, there are properties held by the community: the commons, communal pastures, etc. Rights and responsibilities of all kinds will have the same nature as forms of fiefdom.

All these varied ties, charges, influences and integrations of agricultural property and agricultural labour would then have to be supplemented by general state regulations, such as the obligation to cultivate, the obligation to reforest and similar general regulations, as they already exist for the most part, and, for example, the law requiring one to demarcate his forestland, land register laws, etc., a development which today palpably and jarringly contradicts liberal equality!

Within the agricultural cooperatives and their manifestations, the agricultural workers and small landholders each have to form their own sub-associations, similar to the workers in the "guild" discussed earlier. It's evident that cooperative education of all kinds could finally facilitate the advancement of capable members of the agricultural working class and small landholders out of the peasant class; since capital will be more readily available and all the means of production offered by the cooperatives will be accessible from the start.

Finally, such an organisation of agriculture as an estate offers the possibility, within the framework of the economy as a whole, to directly connect the agricultural producer groups with the urban and commercial consumer groups, and thus once again, to a large extent, eliminate today's expensive intermediate trade. The consumer associations of the guilds, or several local guild groups, can obtain their needs in bulk, directly from the agricultural cooperatives; however, in addition, the economic cooperatives of the

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employers' associations can similarly obtain their raw materials and semi-finished agricultural products again from the relevant agricultural cooperatives, e.g. the carpentry cooperative can obtain certain bulk goods directly from the sawmills of forestry cooperatives. Trade will not be quashed by such an arrangement, because there will still be space for continued market-seeking, price-adjusting and speculative activities; these will just be reduced. Because, as we have shown, the organisation of each estate always helps to ensure that it can have a direct relationship with all other estates and groups that make up the economy, the overall visibility of said economy is increased, enabling its parts to almost eliminate the costly trade of bulk goods, limiting such trade to more sustainable fine goods and rare special goods. However, this again suppresses the speculative opportunity in the overall economy and, in short, shapes the image of a thoroughly organised economy; but, as must be emphasised again and again, it is organised in small circles, not in an atomic way throughout the economy.

### C. The Corporatist Associations. Relationship Between the Estates and the State.

Simply summarising the occupational groups based on the collective bargaining arrangements and the cartels is not enough to understand the economy as a whole. Although they have already been mentioned in passing, we still must consider various flexible combinations.

First of all, consider the network of aid funds that will often go beyond professional associations, as we see today in health insurance companies, pension funds and related institutions.

Then there are those purpose-based cooperatives which are themselves situated in the heart of the professional guilds, such as: the purchasing or consumer cooperatives of factories and guild workers, which will join together to form sourcing collectives and district, state or local associations far beyond the individual guilds. Corporatist central banks will also be established, which will go far beyond individual professional associations.

Further, we should touch upon more general associations built over their professional counterparts with the effect of summarising them. First, we can consider here professional groupings, for example, the workers' associations of individual guilds culminating in a Chamber of Labour, those of farmers in a Chamber of Agriculture, those of commercial entrepreneurs in a Chamber of Commerce, those of tradesmen in a Chamber of Merchants, those of technical masters in a Chamber of Engineers, etc., pure institutions, which already exist everywhere today, at least to a large extent (Chamber of Lawyers, Chamber of Doctors, the Council of Intellectuals, etc.), and which once more provide evidence of how necessarily a free, individualistic economy develops self-contained structures within itself! It should be borne in mind that these special,



professional chambers will not only consist of a main office with headquarters in the capital, as today, but, since they will be properly constructed, will again have many branches in the small population centres, so that the various sub-associations of different guild groups can be represented locally.

In addition to these special chambers, which still link primary professional groups (workers, industrial entrepreneurs, commercial entrepreneurs, engineers), there are also substantial overarching collectives of corporatist organisation. These have emerged in Austria and Germany under the name of workers' councils and other councils of all kinds (externally according to the Russian model, but in reality filled with a completely different spirit, that which was in some sense sought by Bismarck<sup>371</sup> as a replacement for barren parliamentarianism); yet more proof of how socialist atomisation, instead of creating the desired centrally planned economic organisations, must always produce a corporatist structure! The socialist force here is the one that always intends the wrong thing, centralisation, and thereby ends up creating the right thing, the corporatist structure. We consider such 'councils' to be akin in form to the workers' departments of all corporatist organisations, the 'workers' council' being formed in a single place as a unit. The 'workers' council' will rise to a level equivalent to, or in fact above, a 'Chamber of Labour'; similarly, where the councils of salarymen<sup>372</sup> and engineers, intellectual labourers, the self-employed (so-called 'citizens' councils') are brought into being, their highest form will not coincide with individual 'chambers', but bring about a central office of their chambers ('Reichsbürgerrat'). On the other hand, the farmers' council (in which farmers and agricultural workers can remain united as independent sub-groups) coincides with the Chamber of Agriculture. The workers' council, the council of salarymen, the citizens' council, and the farmers' council are the largest divisions that summarise the primary economic estates (regardless of special professions). Individual councils are structured both locally and regionally, and each appears as a Reich Workers', Employees', Citizens' and Farmers' Council. If one considers the totality of these imperial 'councils', they immediately form a political body: the Council of Estates or the Estates House, a body for which a tangible foundation has already been laid in the recently created 'Reich' Economic Council (what Bismarck tried to realise in vain). This is another proof that today's society, by force of necessity, is taking great strides towards the corporatist model. In any case, the Estates House should not become a 'talking shop' like today's parliaments, but should work more officially, like today's Chambers of Commerce and the old guilds;

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<sup>371</sup> (Ed.) Otto von Bismarck (1815-1898): German statesman who masterminded the unification of Germany in 1871. Bismarck generally opposed democratic government, favouring the rule of experts over elected officials.

<sup>372</sup> (Tr.) In German, *Angestellten*, that is, white-collar workers, as distinct from manual labourers.



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it must reduce public speaking deliberations to a minimum. In this way, the difficult question of voting with clear majorities loses its meaning. The more matters that are dealt with according to the official way of working and through factual negotiations between the specialist groups and civil servants directly involved, the more decisions actually get made (the 'best' ones at that), and the less important is mechanical voting and speaking from the window. The role of indirect election and primary election is a second-order question. Initially, the Chamber of Estates may first play the role of a general specialist chamber for economic affairs in a purely political house.



This is where a question essential for the emergence of the corporatist state arises; that of the relationship between the estates and the central government. There are two basic facts that seem to me to be particularly important. The first is that the estates would embody much of the economic and administrative state in themselves, as it were, swallowing such duties, which would result in the central state assuming a different, far more ideal character than that which prevails today. For the state, only the major political and cultural areas of concern remain, such as religion, education (of a non-technical character), law (of a non-commercial type), the army etc. Economic requirements and endeavours are kept beyond its domain, the realm of ideas thus being freed from the lead weight of the material, now able, without being poisoned by economic influence, to take its shape and struggle for existence. There is no need to worry about how the relationship between individual estates and the state should develop in a particularistic sense. It is entirely sufficient if the economic estate bodies take on both the task of the internal organisation of professional affairs as well as self-government in the area of macroeconomic issues, in the area of the economy in general, and thus remove the centralised, liberal state from economic life, but all of this by the state's design, insofar as it actually facilitates subordination to the state as a totality. This dismantling of the centralised, general-democratic (instead of specialist-democratic) state is the true and most vital end-effect of the Estates House and the overall structure of the economy we are describing. Once achieved, there then exists everywhere equality among equals in economic life. As the workers elect in their guild sub-associations, in their workers' councils, in auxiliary institutions and other associations, with equal voting rights; so it is for the salarymen and engineers, the entrepreneurs, all in their respective associations and groups, as equals among equals. All of them will now be able to advise, govern, and be represented up and down in narrow spheres. Meanwhile, in the democratic order, ignorant agitators have to speak, advise and decide on things that they do not understand, with everything in the hands of everyone. Democracy is like the primordial chaos before the creation of the world, while the corporatist structure is like the harmony and order emergent upon its completion.

## *The True State*

The second basic fact pertaining to the relationship between the estate and the state is that the central state power would not be equally derived from all elements; to be more precise, it will be built not from below, but from above! We have discussed this question sufficiently already. Truth should not be voted on by the majority (from below, so to speak), but instead the best (from above, so to speak) should prevail! (See pp.107-108 and 193-194 above). There can therefore be no political parties, in today's sense, in the corporatist state, for in this state the struggles of interests are for the most part ejected into the close confines of the estates themselves, the Ideas, the points of contention as such, become the cultural issues, and there is no longer an argument concerning the basic structural outline of the state; enlightened absolutism, monarchical liberalism, democracy, social democracy or communism, upon which today's parties are primarily based. When the Idea, the thing, the greatest good becomes the point of contention, the grouping of factions loses any similarity to that of today's parties. (More about this below: see pp.269-270). In addition to the Estates House, there is no longer a need for political People's Houses (unless in a temporary form). In the worst case, given today's government as it is (and would be even if Cleon sat at its head), such houses could be seen as centres of spiritual power, and will grow into their correct duties. But here we describe a duty to present themselves as parts of a greater whole, an estate, to be classified as such when the state exercises its right to do so.

Whoever looks at the matter correctly and gains an accurate picture of it from all sides, will understand with inner certainty that in this model, the economy and the Idea each recede into their appropriate domain; how the economy, after gaining freedom and self-determination, becomes once more the willing servant of the spiritual, the subordinate of the Idea; how the quiet proportion of the great crowd can produce once more the guiding thoughts of a culture, its primary scientific disciplines, and the discussion of ideas themselves which bring forth moral consequence in the political arena. Then the great crowd will submit once more to the power of the spirit, the material will remain confined in its realm; a beautiful, exhilarating reflection upon an ideal which extends to the plainest and simplest of hearts...

### **D. How is the Ossification of the Estates Prevented?**

So far, we have considered the corporatist order purely in terms of structure. Another aspect, however, is the life of the estates, their evolution, their development.

Every solid order of masses threatens to freeze, and does so, if not for the free mobility of the creative forces behind it, room for manoeuvre, if not for the purpose of constant replenishment, then at least for the occasional freshening of blood. There are two main means of providing for this: first, the free movement of talents and individualities, in particular due to the freedom and accessibility

of higher education; second, the openness of certain areas of economic life for free economic activity, and for reorganising and reshaping economic activity (which means the application of new processes, inventions, models, and types of goods, as well as organisational overhauls of companies themselves).

The first point concerns a general redesign of the education system, of which no more is to be initially said here except that higher education should be as free as possible, and secondly that it should not require decisions at an early age, and in general should allow even for those in advanced age to make up for lost youth in education. (Today, at the age of ten, to the detriment of all talents that are not ready for maturity, it must be decided whether a child should be designated for lower or higher education, and further, for humanistic, technical or commercial education). Even today, our education is far too much geared towards young children. However, such educational catch-up should be achieved through both dedicated adult institutions and opportunities to transition into regularly scheduled higher education. (More about this below; § 36).

At this stage, however, only the second point is essential, which is decisive for the activation of new forces in the economy and giving life to those talents within it. I believe the most important means to avoid the guild associations becoming closed institutions to be a *numerus clausus*. However, free competition cannot be allowed; everyone who enters the economic society, be it as a worker, employee or entrepreneur, as a buyer or seller, consumer or producer, must comply with the proper wage rates, work regulations (collective bargaining agreements), price rates, etc.; they may also make use of existing credit cooperatives, raw materials and sales cooperatives, consumer associations, etc. But those who already sit in these associations should not have a monopoly on membership, capital and labour flowing freely through them, from both large and small enterprises, if proper conditions of training are met. (We refer here to a free form of proficiency certificate).<sup>373</sup> The basic principle here must be that rent-seeking through closed guilds should be prevented by all means; I see in it a primary cause of the paralysis and degeneration of the guilds; as well as an impetus for the pursuit of a free economy. If the new guilds formed harmful rents again, the population capacity of the new order would soon become too small and (if the intellectual conditions were given), a new wave of capitalist-individualism would threaten to break out. In practice, the guild associations will often not be very far from a closed estate (much like groups that have already been cartelised today). Due to the fact in any given estates grouping, existing company sizes, prices, wages, amounts of capital, and quantities of workers are always matched to the prevailing conditions (at least roughly anyway), a relative degree of closure is inevitable, and the penetration

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<sup>373</sup> (Tr.) In German, *Befähigungsnachweis*; a formal recognition of technical expertise, e.g. a license to operate certain types of machinery.



of new forces from outside is never easy. But while some provision for an outlet of such things is permissible, abuse must be prevented. Today, so-called "latent competition" helps ensure that adaptation to capital, labour and price requirements in the rough sense never truly ceases; if capital and labour are being invested in a professional group with an excessive average profit, if its processes are inefficient, its markets underutilised, its prices too high, and if the tension of "latent competition" is too great, then it is incredibly useful and, from the standpoint of totality, imperative to disrupt such a group's all too luxuriant situation with slumps in new capital, labour and methods of organisation. In the Middle Ages, the wanderings of journeymen featured prominently in the often-gruelling struggle for existence between guilds and cities, an important means of technical and economic rejuvenation. Today, governments and commissioners may exert influence upon the overarching corporatist associations to encourage such slumps, similar to magistrates in the Middle Ages. Solidified guilds can create new capital and new labour, and can do so, conditions permitting, even through government foundations or the foundations of other guilds, giving oxygen to a new generation. The fight against the outsider must be left entirely to the guild (like the cartel today). This will be particularly important when it comes to protecting great inventions.

It is of the utmost importance that certain groups remain free from corporatist bonds. First of all, sole proprietorships and family businesses can be left free, provided the connection to the guild is preserved, so that a certain amount of space is left open for autonomous striving. Further, enterprises of an artistic or intellectual nature can remain free from forced mergers. In general, the industrial arts have a special position of high value. The very name implies not only the spiritualisation of work and production, but the spiritualisation of consumption. The more it is possible to develop the corporatist group of artists (see above, pp.202 and 204, and below, p.260), the more a tranquil and well-grounded estate will take the place of the miserable, robotic factory worker, and large enterprises will recede.

Furthermore, commercial banking, stock exchange and financial sector work should remain free of corporatist bonds (with the proviso that collective bargaining rights, sociopolitical benefits and the like are ensured), especially since the estates will have internally developed their own non-profit banking and finance systems anyway. This will provide, as it were, the release valve of a mobile (capitalist) element in the corporatist order, just as it always did during the Middle Ages.<sup>374</sup> Because of the nature of the trade, as a highly mobile, mediating, pooling and generating influence in the organisation of the estates,

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<sup>374</sup> See Strieder, J. (1914). *Studien zur Geschichte kapitalistischer Organisationsformen*. Munich: Duncker & Humblot.

(Ed.) Jakob Strieder (1877-1936): Minor German economic historian.



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there must be a freedom to take advantage of flexibility in the economy, so that such activities may act as a catalyst through rapid mediation and combination. This freedom is permissible and necessary, because the space available for trade and finance will already be considerably restricted in the corporatist state, firstly due to transparency in the economy, and secondly the cooperative nurturing which will take place in the bosom of the guild through a self-contained system of credit, purchasing and sales, meaning that such trading activity is actually undertaken internally.

I see, in the cultivation of taste, an important means of breaking the unchallenged dominance of the large enterprise, bringing more satisfaction to the work people do, more spirit and life to their economic labour, and more clarification of the value provided by durable, individual, beautiful goods. The demand for durable and artistic goods promotes small and medium-sized businesses (as we saw above, p.140). The expansion of the fine trades (quality industries) today is partly dependent on the internal uplift of the consumption system. It is clear to the trained economist that the fine trade requires a certain measure of capital wealth, capital surplus in a people. The older, Western, capital-rich countries can therefore move from cheap, bulk trash to fine industries more easily than we can. However, in the corporatist order, from the outset, such fine industries would have a broad foundation dissimilar from that which exists today. The guildish essence of this order limits the possibility of free competition with the external world and thereby directs more energy than is presently harnessed towards the quality, both in terms of durability and artistry, of the goods produced. Regardless of the conditions in question, a decisive relationship exists between the preponderance of individual wares and durable commodities, and the predominance of the small and medium-sized business over the large enterprise and mass production; and with the greater number of businesses comes more diversity, flexibility and vitality in the national economy and, along with all of this, more space is also created for aspiring, formative economic forces.

We always have to remember that the way we do business is a reflection of how we live. A new spirit of civil society means a new life; the new life of a different production orientation, a level of economic activity both superior and more spiritual.

### *E. Finally, a Summary Remark on the Difference Between the Corporatist, Socialist and Capitalist Economic Orders*

The agility and vitality, which is at least compatible with the corporatist order, guarantees an altogether different productivity level of the economy than

a communist order could enable. If one hears that Lenin and Trotsky<sup>375</sup> in Russia want to increase the yield of work by introducing piece-rate pay<sup>376</sup> and a Taylor system, it looks a lot like trying to heal a lame man by giving him a crutch. In many individual cases, these methods will bring great benefits, but they can absolutely not replace the general circulatory system of the economy, its constructive spirit, its motive forces. Because these are only those last steps with which one, in the given technological and organisational environment, increases the productivity of work. But they can do nothing for more general economic advancement, nor in the realm of resuscitating or reshaping the economy.

Things are different in the economy built on corporatist foundations. Here, the corporations themselves will be mindful of the appropriate wage procedures and working methods; they will strive for new techniques and organisational methods themselves, because the cartel-like constriction of costs and product prices means that the company is left with no choice but to make excess profit through internal improvements. Not only internal improvement, but a shift in orientation towards quality work will be a salient feature of the corporatist economy.

It is even more important, however, that a steady rejuvenation of the leading estates is ensured in the corporatist economy (similar to that in the Middle Ages), through an engagement with economic leadership talent equivalent to that existing in the capitalist order, and indeed in some cases surpassing it. This will occur because in the business sectors with large companies, with a prevailing inner freedom, the diligent will advance through hard work to leading positions just as they do today; and wherever small and medium-sized businesses predominate, this will in part occur at the same level as today, but also to a greater extent, because the sociopolitical institutions of assistance, as well as cooperative and fief-like forms of property, will offer greater help at every level than is currently possible.

Despite all these obvious advantages, it would be delusional to think that in the long run the corporatist economy would be more productive than the capitalist economy. The capitalist economy is undoubtedly the most productive of all because it guarantees the greatest economic progress. Here, every new invention is brought forward with ruthless haste, without sparing in the slightest the people, their livelihoods, their customs or their capital, which depend on the previous forms of production and cannot speak in their own defence. It's different in every economy with collective action. Here, not only does the profit

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<sup>375</sup> (Ed.) Pseudonym of Lev Davidovich Bronstein (1879-1940), Jewish Bolshevik revolutionary and arguably the most extreme disciple of Lenin. After the ascendance of Joseph Stalin, he was forced to flee the Soviet Union, but was later assassinated in Mexico.

<sup>376</sup> (Ed.) That is, payment based on each unit of a good produced.

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of the inventor get a voice, but so does the weight of what is already in place, since this is organised. As far as the influence of the estates associations reaches, the progress of technology and the economy will be slower. This has the following effect: the inelegance of the association, old habits, the conservative sense, the love of traditional ways even when they offer comparatively few advantages as compared to the new. Every organised economy is weaker in terms of its economic progress than the economy based entirely on struggle and competition. In contrast, the organised economy can achieve more than the unorganised in terms of the economy of labour itself, because by reducing intermediate trading activity, in some areas achieving self-sufficiency within large economic bodies, by limiting the designs and varieties of products (standardisation), through permanent and high-quality labour, it gains a distinct advantage as compared to the lack of planning and wasted energy which inevitably result from the free, competitive market; as the high prosperity of the Middle Ages proves, the organised economy can at least achieve these advantages through wise stewardship and persistent effort (although the more difficult the challenge, the more bureaucratic the organisation will need to be); however, the agility and capacity for progress inherent in the free economy will never be fully achieved; remember the "golden scale of history"!

### F. Overview of Class Structure, Types of Property and Operating Models

The Estate Groups	The Types of Property	The Operating Models
1. The guild. (professions defined by certain undertakings).	1. Private property, yet with limitations placed on it by:	1. Free enterprises operating outside of guilds (sole proprietorships, merchants, financial banking, artistic and other free trades).
2. Corporative sub-associations.	2. Estate, state and municipal influence upon personal, private property (in the sense of utilisation in the common good).	2. Private enterprises tied into guilds (which can also exist in the agricultural sector).
a) within the guild: employers' and employees' associations;	3. The common property (collective property) of estates associations and sub-associations of all kinds.	3. Enterprises with a life component such as agriculture and housing (Rentengut, leaseholds, rights of residence).
b) Business associations beyond the general associations, local associations beyond the imperial associations.	4. Private property with a life component (e.g. rentenguter <sup>377</sup> and cooperative property.	
3. The general professional estate. (An estate comprehensively made up		

<sup>377</sup> (Tr.) Land held in perpetuity against a fixed rent.

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<p>of a variety of general guild ventures. A professional branch).</p> <p>4. The general estates association or overriding association:</p> <p>a) Local associations of several estates associations of types 1, 2 and 3;</p> <p>b) General associations of similar estates groups: the specialist estates chambers;</p> <p>c) General associations of dissimilar estates groups: the council.</p> <p>5. The general estates chamber or estates house.</p> <p>6. The politically compulsory associations (community, district, region) and the state.</p> <p>7. The free professional groups not tied into guilds.</p>	<p>5. State and municipal property (in a pure or mixed ownership form).</p>	<p>4. Cooperative enterprises</p> <p>a) the guild and guild associations; including agricultural cooperatives</p> <p>b) the consumer associations and free production cooperatives of workers.</p> <p>5. State and municipal companies:</p> <p>a) in pure, or</p> <p>b) mixed economic form.</p>
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An examination of the above overview leads us to a final remark on the reorganisation of the national economy in the corporatist sense.

If we take a look at the overall structure of the state economy that we have outlined, we find that we encounter not something one-sided and rigid, but a living diversity that features all elements or forms of property formation and all varieties of economic organisation or modes of operation. The capitalist element is represented in free trades, banking, finance and certain free, small businesses; the traditional-guildish element of the bond in the great bulk of trades, above all, in those which are essentially basic; the cooperative element in the cooperatives of guilds and guild associations (or their agricultural equivalents), the consumer associations, or the workers themselves, who (although only under particularly favourable circumstances) simultaneously exist as independent, equal partners and executive participants in production; finally the collective element, in which both municipal and state enterprises (in pure or mixed economic form) will be represented. These modes of operation do not appear alongside each other as an anarchic, mixed mass, but are grounded in the binding, corporative, greater order of production and the entire economy.



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Finally, if we look at the moral content of this entire structure of economic estates, we can give an affirmative answer to that question which, in the end, is the only one which matters for an economic order of life: is it just and does it leave us with a clean conscience?

It is just because it pairs "like with like" and lets these muddle out their own affairs insofar as is compatible with their position in the whole;

it is just because it assigns to the economic a servile role, brings about the greatest possible distinction between the economic and the spiritual, thereby assigning each of these vital forces their own peculiar sphere, thus giving both the economy and the Idea their due;

it is just because it does not recognise arbitrary, purely subjective, private property, but strives for common property through forms of fiefdom or through association and state influence on the use of property, in correspondence with the diversity of individualities, and yet the external form of private property is to a large extent preserved;

it is just because, where collective or state property is appropriate, it creates the possibility, indeed the necessity, of this type of common property, so that nothing is heisted by the individual where property is that of the whole, and nothing is heisted by the whole where formal, private property exists;

it is just because it makes use of state interference to influence, correct and mitigate disputes among organised, corporate entities over the division of the total labour yield of the economy;

it is just because it guarantees the worker the wages that can be extracted from the earnings of the economy as a whole; due to the extensive participation of the workers in the entire production process, the appropriation of a larger kind of "surplus value" in the actual Marxist sense is completely ruled out, and it is made clear that large yields of individual branches of industry either have to be capitalised (whereby they provide the basis for future, more abundant means of production), or redistributed in the form of wage increases;

it is ultimately just, because it guarantees the most fruitful (productive) development of labour, to the extent that the estates themselves are able to reduce less fruitful work (such as trade and financial intermediation) and exploit the most fruitful production activities and processes;

it is just because it allows the division of the entire economy into executive, managerial and entrepreneurial positions, as appropriate for the respective body of the economy, thus enabling movement from the lower to the upper strata insofar as is possible;

it is ultimately just, because it pulls everyone, worker and entrepreneur alike, out of their isolation and grants them that integration into a totality which

entails preservation and tranquillity instead of destructive competition, instead of the agitation and inflammation of the capitalist economic order.

The corporatist economic order is the most just on all these points. As we have emphasised repeatedly, this economic order is living, not rigid, and while it is not as flexible as the individualistic order, it can lay claim to be the most vital, above and beyond individualism, while the centrally planned, socialist economy is in any case an inanimate, artificial, stitched-together monstrosity that is necessarily stillborn. As a living economic order, that which we describe combines fixed order and free competition in a wise mixture, and knows neither the devastating effects of heart-crushing competition nor the suffocating, everyday torpor of bureaucratic strangulation, but instead has for its ordering mechanism the more tightly knit, vital circle of the estates, and for its element of struggle, the small circles beyond the estates and between them. Thus, the estates provide a safe haven for the adventurous and the curious, as well as for those who are content with peace. Thus, it gives tranquillity for the heart and exercise for the passions, it shelters the spirit and the body with an equal vigour.

## § 34. A Review of Our Subject's History

Before we proceed further in our treatment of the estates, it is now appropriate to take a look back at the history of dogma.

The idea of the traditional structure of economic life and the corporatist state is nothing new. In the early days, the Romantics had championed it against the atomising natural law, against the demands of the new era, for free competition, free trade and free exchange. The viewpoint of the Romantics was, for me personally, unclear for the longest time. For a long time, I regarded Adam Müller's call for a return to the Middle Ages as unconscious of time, utopian and improper. Adam Müller, however, had already masterfully answered this critique in his 1809 work, *Elemente der Staatskunst*: "The Middle Ages were rescued from the contempt held for them by all historians who had bought into the commercial direction of the contemporary world, perhaps by friends who were too enthusiastic and who had a penchant for going against the grain [...]. However, the praises given to the Middle Ages in these lectures need not be understood as if the social conditions of that era were the only desirable ones [...]. The elements of all political life [...] exist in the Middle Ages. The connection of these elements [...] was imperfect because it was more federal than organic".<sup>378</sup> Also, "I have written for my age, and so you will appreciate that I embrace the spiritual and feudalistic elements of the state, which are now suppressed, more warmly than those which today are triumphant. However, I am concerned with these elements' interaction, and so I am the first to oppose the lazy idolaters of the Middle Ages and to raise a stone against absolute hierarchy. Although today I stand as an adversary of the old Roman<sup>379</sup> principle of our constitutions, I am earthly and Roman enough to declare war tomorrow on the spiritual principle if it sought to rule alone".<sup>380</sup> The longer and more seriously one considers the Universalistic conception through to its end, the more one has to reach the same demands and conclusions as Adam Müller. However, we proceeded from other premises (as to do otherwise was not possible given the way this book is presented). The decisive turning point after

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<sup>378</sup> Müller, A. (1809). *Elemente der Staatskunst*. Berlin: J. D. Sander, p.133

<sup>379</sup> i.e. individualistic (my note).

<sup>380</sup> Ibid., p.vi. On the other hand, it should be emphasised again here that the explanation of the medieval state as a sum of dependencies under private law by Haller in his *Restauration der Staats-Wissenschaft* is completely unromantic, indeed enlightened and also fully understood in technical terms.

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the attainment of the Universalist point of view was the realisation that there are small communities in which the spiritual world of the people is stratified. Since it is social spirituality that builds up the bodies of these communities; since social spirituality only lives and presents itself in the form of small communities, in stratifications with great differences; the organisational structure of the economy and finally the state must also be based on small circles, guild-like associations or "estates". With this approach, not only do we seem to theoretically overcome every atomism; but in terms of organisation, we have teased out the consequences of rejecting atomism in both the economy and state: atoms of the same kind are thus not chaotically grouped into an overall economic body (as socialism desires), but instead the body is thoroughly organised through the bringing together of associations. The associations themselves, however, are here composed of the same types of people. In the end, this is the basis of class peculiarity: equality among equals, assembly of the same types into associations; likewise, the peculiarity of the corporatist constitution: the hierarchical superimposition of associations, of estates made up of like individuals. And from this it follows that the ordering of like forms is the absolute prerequisite for the Universalistic consolidation of society, for its organisation in a Universalistic way.

These are the lines of thought which demand communist Marxism be finally eliminated and which lead to the recognition of the order of the estates as truly Universal.

The recent English development of "guild socialism" demonstrates at least an outward agreement with our thinking. According to it, the means of production should become the property of the state, just as in communist society. But the state should not centrally manage these means of production (certainly an advantage over pure communism), but leave management to the trade unions, which thus transform themselves into a "national guild", an overarching guild, i. e. form a nationwide production cooperative. The production cooperative itself does not set the prices of goods, the direction of production, the nature of goods, etc., nor does the state, but instead a mixed body consisting of representatives of the guild, the state (or the municipality) and the consumers. In addition, the state, as the owner of the means of production, receives an annuity from each guild. By gradating these annuities against the guilds with higher or lower earnings, the state compensates for the differences between the earnings of the individual branches of industry. What separates my views and suggestions from guild socialism is that the latter seeks to introduce real equality among unequal people, namely to make real production cooperatives out of the crafts or guilds, in which nobody owns anything yet nobody is without possession, but essentially everyone is an equal beneficiary of property provided by the state. We repeat yet again that the principle of equality among unequals is entirely objectionable. The production cooperative administration of an entire branch of production ultimately amounts



to nothing more than a communist planned economy with a proportionate independence of the individual professional sectors. This "guild socialism" is again quite centralised and therefore just as utopian as communism itself. There are also other problems, because the "guilds" which fail in their productive role will find that the state lacks the supreme power needed to manage their difficulties. The weaker centralisation in the socialist guild state, the more anarchy; the more centralisation, the more it becomes a planned economy.

What we advocate is, internally, far from the corporatist society forwarded by Walther Rathenau, who draws his ideas about professional associations from a mixture of half socialist and half liberal ways of thinking, recently even swinging to draw inspiration from the Russian style, but his ideas surely demonstrate with great spirit, and indeed with intuition, a strong familiarity with the details of large-scale economic planning, especially cartel administration, a familiarity ahead of many others. Rathenau also does not strive for a truly corporatist structure of society, but more an inner redesign of economic life, etc. and a redesign in the sense of alterations to manual and intellectual labour.

The idea of reorganising our economy in the corporatist fashion is in the air today. There is a great deal of covert and overt corporatism, the idea of the estates can be encountered in various forms in newspapers and magazines.<sup>381</sup> In this connection, I will also mention the famous "tripartite structure" and the practical demands of the Social Democrats. Steiner's<sup>382</sup> doctrine of the tripartite structure seeks to separate economic, legal and intellectual life as the three natural aspects of the social organism (!) and leave them to themselves! This would result in: a legal state in legal life, a completely *laissez-faire* state in intellectual life, i.e. an intellectual life left to its own devices (e.g. absent state schools and compulsory school attendance), and the purest capitalism in economic life. While the concept of the structure is corporatist, "leaving things to themselves" is entirely individualistic. Steiner, however, wants capitalism to be mitigated by abolishing inheritance law, forcing workers to share profits, and the like, but then it is just a question of reforms based on the strictly liberal state, while the initial idea of corporatism fizzles out. The opposite picture can be found in the practical programme requirements of the Austrian social democratic parties (1919), which ostensibly proclaimed socialism while smuggling in the estates. If one looks closely, it will be found that secretly,

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<sup>381</sup> See Steinmann-Bucher, A. (1919). *Sozialisierung. Mit Darstellung der Planwirtschaft auf 3 Tafeln*. Berlin: L. Simon.

(Ed.) Arnold Steinmann-Bucher (1849-1942): Minor German economist and conservative writer.

<sup>382</sup> Steiner R. (1920). *The Threefold State: The True Aspect of the Social Question*. London: George Allen & Unwin.

(Ed.) Rudolf Steiner (1861-1925): Austrian philosopher and mystic.

ultimately, it is corporatist reforms that are demanded of the state, under the guise of centralised socialisation. Indeed, the whole idea of social mastery gives the impression of a tendency towards reorganisation in the corporatist sense. The recently created “Reichswirtschaftsrat” in Germany, as stated earlier, is the anticipation of an “Economic Parliament”, a chamber of estates.<sup>383</sup>

In view of such facts, no one will be able to say that the development of a corporatist society is a utopia. Every socialist reform from the time before the war was nothing more than the creation of bonds, of groups; and the ties of certain, restricted groups always carry with them something corporative by demarcations of relative inequality, and thus realise the first constructive law of the corporatist state: equality among equals through their distinction from the unequal.

After this digression into the history of the doctrine, we return to take a closer look at the estates.

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<sup>383</sup> (Ed.) The *Provisional Reich Economic Council* emerged in May, 1920, in the Weimar Republic, as an counter-parliamentary body which had certain powers to override the Reichstag (it could introduce and examine bills, however could not veto them). It was dissolved by the Nazis in 1934.

## § 35. The Guildish Composition of the Estates

### II. The Political Estate and the Highest Spiritual Estate

Where life is ordered, and well-ordered at that, political labours are present from the outset. When it comes to the status of politicians (statesmen, city fathers, party politicians, parliamentarians, columnists, political writers) in the corporatist state, the first significant thing to note is that they will be fewer in number than in the democratic-parliamentary state. This is primarily because a large part of the political labour will be done on a part-time basis. Just as the corporatist state necessitates the dismantling of the civil service (and especially the officials of the central government), so too is it necessary that the politicians of the central government and of the independent political class in general be dismantled! The business leaders in such a state also act as part-time political leaders, but only within the bounds of the narrowest economic environment. The leaders of the guilds, the sub-associations within the guilds, the professional associations, aid organisations and other corporatist forms all represent the "political interests" of their bodies and associations externally vis-à-vis the other professional organisations and the representatives of the state, that is, the spokesmen of the state's organs.

The political estate is reduced not only by the fact that its functions are performed on a part-time basis by the leaders of economic bodies, but also because the scope for state and state-corporatist (e.g. communal) politics appears to be narrowed in a more general sense. The damage caused by democracy is thus eliminated. Where like individuals order their own affairs, where affairs are handled by the narrow circle of those directly involved, there is infinitely less scope for great, seductive politicians, for the commotion of democracy, for the wooing of favour and the voices of all. Political labour in the corporatist state will be less about advertising, gaining majorities and managing the masses; instead it will focus on the conflicts arising between large corporate groups already arrayed as distinct from each other, and in this way, more so than now, an objectivity and creative design can permeate organisational work. Where there no longer exists any free, democratic-anarchist scope, where instead of the masses we are faced with towering structures and groups, associations and corporations confronting one another, each knowing what they want, there is no longer room for the demagogic arts and purely rhetorical personalities, but only for objective work, since all those involved are integrated into authoritative bonds, encompassed by their spiritual

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and historical forces! This explains why the Middle Ages knew infinitely less political commotion than Greece and Rome, and Sparta knew infinitely less than Athens.

This tremendous advantage of the estates can also be discerned from another angle: it is no longer the uncomprehending, uninformed masses who designate their leaders, but the leaders of the variously structured masses (the leaders of the associations) who decide. While the outward career of politicians in the corporatist state will be fairly similar to that of today, personalities will be chosen on a different basis. This is because it is no longer the amorphous mass of purely notional citizens who are led, but the structured masses of living associations, themselves already helmed by higher leaders. Therefore, the political profession in the corporatist state will be occupied with a lot more factual, creative work than would be possible in today's (or even in the atomistic-socialist) state.

The political struggle in the estates is waged either for great, moral-political ideas or for great corporate interests. There can therefore be no political parties in the modern sense in the corporatist order (as we have already seen above, pp.255-256); there will only be property parties. The political struggle becomes clearer and more bountiful, the parties in it having a more definite, purely factual basis, being that they are not founded on the masses which need to be wooed, beguiled, flattered, but instead on the higher plane of groupings. And because the purely economic struggles between the economic interests of the associations are partly fought out as private, internal affairs, they are, at least in part, cleanly separated from mighty, moral-political ideas.

For another reason too, political life in the corporatist state will have a more resolute orientation around an Idea. As we have repeatedly demonstrated, life in the corporatist state will have more peace and tranquillity, more internalisation and self-reflection than in today's order, since the estates protect and preserve the individual and give him an incomparably lower amount of struggle and competition to engage with, fewer dangers and greater security. For this reason, not only energetic, vigorous and active natures will play a role in society, but also contemplative and intellectual ones, who are often less able to act independently and decisively. A far deeper spirituality will be reflected in the political life of the corporatist state.



As for the highest class, that of spiritually creative persons, it has been said repeatedly (see above, pp.199 and 203.) that it is not a complete estate, since it is not an active but instead a spiritually productive part of society. We have already touched on the question above; how can these people be secured a quiet place in society, these people upon whom true continuity, the eternal spring of history, depends?



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If one considers that the nature of genius is that it is original, new, ahead of others when it comes to seeing the essence of things, then the promotion of genius would appear to be a hopeless endeavour; precisely because genius is always one step ahead of conventional knowledge, and cannot be recognised as such by those who remain behind. The unfortunate Schubert<sup>384</sup>, who at times even lacked the piano with which to test and experiment with his magical gift, ran to his neighbour, for whom the piano was entirely useless, in relative terms; this man is not an exception but the rule. No means will ever be found to teach mankind to understand greatness at the moment when this greatness is just being born, and instead it requires the mediating, enlightening, educational work of disciples and students. The great master cannot speak directly to the multitude.

Viewed in this way, the task appears to be eternally unsolvable, and essentially, it is. However, there are still very effective means to pave the way for great spirits. I see such means, above all, in a broad connection of lofty talents with higher education and academies. We have only one academy of sciences (and this too, offers infinitely little, thanks to the boundless clumsiness and barbarism of past ages); but where are the academies of poetry, the visual arts, the musical arts, the performing arts, the technical sciences? In order to be effective, these academies should have sufficient resources to promote creative artists; by setting prizes, offering grants, stipends and assistance of all kinds, not only according to the judgment of scholars and critics, but also, at least initially, with the participation of leading, creative artists themselves. In addition to the academies, we also need an accomplished higher education system for the arts, i.e. one that employs not only scholars, but also truly creative artists and critics. At such universities, our great poets, musicians, painters, sculptors, architects and critics would be free to choose the works of their respective masters of the past, in their own poetic and artistic manner, with as much or as little educational assistance as required. With this, the academies and apprenticeship schools of days gone are resurrected.

Even in the field of science, which today has the best funding, creative forces could be better nurtured. It's not just that the state, through the universities, has always poorly paid academics and fatally promoted the outflow of solid talent into the trading classes (industry, trade and finance). It's also that the state suppresses creative talent by demanding it teach far too much. True, the vast majority of university professors today, as ever, have very little creative ability (or none at all, such that they lower themselves to the rank of mere artisans of higher education); and that in view of this, the work they are expected to undertake is quite justified; but must we always cater to the lowest common denominator? The structure of our academic chairs today also suffers from the serious shortcomings of specialist, inorganic delimitation, from the lack of organic, systematic thinkers in the chairs. It would also be urgently necessary

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<sup>384</sup> (Ed.) Franz Peter Schubert (1797-1828): Austrian composer of the early Romantic period.

to supplement our higher education system, as planned, with our own "research chairs"; such "research chairs" exist only in very small numbers today, and, moreover, characteristically only for the natural sciences, which can only ever provide that which is subordinate to true, intellectual development.

It would be a mistake, however, to assume that organisational reforms of the type described could dramatically improve the situation of the intellectuals. Even in the corporatist state there is a wide gulf between intellectual and non-intellectual people, which nature has riven and which human machinations can never eliminate.

It can, however, be said with certainty that spiritual/intellectual life in the corporatist state will find very different nourishment than in today's capitalist state; because the entire spirit of life will be higher than it is today. Hence, the broad masses, the crowd, the sounding board of all spiritual productivity and all education in style and culture, will only be ready for spiritual life in this state. Thousands of centres of adult education, institutions and opportunities of all kinds will arise, and anyone who speaks a spiritual word to the crowd will find their audience. It will not go unheard, lost in the noise and crush of everyday struggle. Even in the Middle Ages, Church life was a thousandfold educational institution. Corporatist society will achieve an incomparably higher and more independent, deepened spirituality than the capitalist, barbarian era has been able to achieve. The genius of the future will build his church on this rock.

## § 36. Education

The corporatist order, by basing the various organisations on the peculiar spiritual character of small circles, undoubtedly appears as the only appropriate and perfect model, as long as one considers society a settled reality. The respective tier structure of spiritual, community circles then corresponds to a similar tier structure of organisational circles, the estates. However, if one sees society in the alternating life and death of its population, in the alternating dominance of historical ideas, then, as we saw above (see pp.256-257), a new difficulty arises: the estate of birth. Successive generations tend to take the positions of their parents and relatives. Inheritance of property, personal connections and, most importantly, appropriate upbringing and traditions, are the benefits that descendants of each estate enjoy. It is not merit which alone decides, but inherited status and tradition.<sup>385</sup>

So long as this phenomenon occurs within very narrow limits and does not lead to an ossification of the population structure, a caste-like separation, it is an advantage rather than a disadvantage. This is because the continuity of tradition conceals a great treasure. True culture, deep, calm, solid, dependable customs do not thrive beneath the banner of the upstart, but only under that of permanence.

The capitalist and individualist way of life is different. Here, the mobility of the individual in ascent and descent is guaranteed by inharmonious struggle. Capitalism is the way of life most suited to the upstart, the *self-made man*, in the best and worst sense of the term.

With regard to the danger of ossification and caste formation in the corporatist state, a solution can only be found in the general accessibility of education, except in those provisions made for the lower classes, which have already been mentioned above (p.249); more generally: in an education that considers all qualified people as candidates for higher positions. The nurturing of the spirit in this way means not only cultural nourishment as such in the corporatist society, but also the prevention of a privileged birth-nobility, a prevention intimately linked to the refreshing of society.

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<sup>385</sup> (Ed.) Spann here makes a jarring departure from describing corporatist society in the broad sense to a special digression on the subject of education for the final chapter of *The True State*. It is a reminder of his calling as an educator, the profession having great personal significance for him, that he would close out with his views on schooling.

## *The True State*

In this age-old task of all systematically ordered societies: to not let the leading estates become hereditary, to make them accessible again and again to the most efficient and suitable, a solution can be found in Plato's abstract-constructive proposal of his "state"; and the constructs of socialist teachings have not ceased imitating it to this day. Here it is proposed that all children be separated from their family at a very early age, brought up in state institutions, and then, depending on their abilities and inclinations in education, developed to their utmost before being placed in lower or higher classes.

This solution is constructively correct, but impracticable, nay, completely utopian, because it includes undifferentiated state education and the dissolution of the family. Such a state education would be, moreover, not a fully-fledged upbringing, but rather a murder of the soul, a dulling of every tender emotion, every sense of softness and depth of feeling. Anyone who has actually observed children brought up in institutions, be they orphanages, cadet schools or country educational homes<sup>386</sup>, will not doubt this for a moment. Don't think for a minute that our current institutions (e.g. what used to be cadet schools) are unable to achieve success because of poor facilities, poor management, a poor curriculum or poor teachers. This is all well and good, but such critiques don't get to the fundamental failure of all institutional upbringing. First of all, with so many educational institutions, the necessity of finding good teachers would be a lost cause from the start; there will never be as many good teachers as you need. But then (and this is far more important), the following also applies: even the best, the finest teacher cannot fundamentally remedy the evil of how lifeless an institutional upbringing can be! Between ages and genders, no teacher could show all their students that unique, irreplaceable and indelible love and tender disposition that a mother displays with her children. State institutions necessarily must tear the child away from the personal association of parents, siblings, relatives and friends, from the association of love, the conscious and unconscious, organically grown sense of belonging which serves as the archetype of all later, internal belonging and emotional connection. We have already discussed the withering effect of all institutional upbringing with the saying: "Nobody, nobody loves me completely, to the innermost of my soul" (see above, p.40).

General state education, which would only succeed in separating younger from older, leading all eventually to a very impersonal, dispassionate integration into the classes and estates, must be rejected as soul-killing, culture-killing and family-destroying. Any delicate bloom would die in such frost.

The task of selecting the most skilled everywhere, assigning a duty and position to each, cannot be completed using purely organisational means; every politician must understand this. What is needed is not an organisational or constructive approach, but one which is qualitative, i.e. something can only be

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<sup>386</sup> (Ed.) These were the German equivalent of boarding schools.



achieved here by ensuring a high level of intellectual life in general, with free access to education, similar to how advances in science only come about not through methodology, but through content. The whole spirit of society, the whole direction of education must be high in value! So long as the maximum number of those in higher education is also large, if education is generally accessible, talent will find the most ease in coming to its rightful station.

If an organisationally comprehensive solution is fundamentally ruled out because the advantages that fall into the laps of upper-class children can never be generalised nor completely compensated for by any measure, everything must be done in public education to select, train and develop the gifted. Our age has achieved a great deal in terms of the broad public education system, but there is still much to be done. "The greatest general accessibility of education", in these words we can summarise the basic requirement arising here. But one must acknowledge how difficult this goal is to achieve. If, for example, even today's high school is generally accessible, the attendance of a child from an uneducated, poor family presents greater difficulties than the attendance of those from educated families. Unconditional exemption from school fees for the poor, school meals for the poor pupils, scholarships on a broad basis; only these measures can provide some relief here. We might, however, at least say that ensuring excellent talent has access to higher education is a realistic goal. Unfortunately, even this is quite ambitious. To be more precise, we might say: excellent academic talent. Because, unfortunately, academic and productive talent are not the same. Those who are particularly gifted in the context of schooling are typically not the truly creative, the gifted talents. The school's structure requires two main characteristics: 1. memory, and 2. discipline, compliance. But it is now known that genius in particular is often stubborn and full of overwhelming passion (Beethoven!). Hegel said that nothing great in the world has been accomplished without passion. However, only when such a principle in education no longer meets the insurmountable resistance of the schoolmaster will great potency be preserved in life. Only then will space and understanding be there for the passionate, great, creative spirit. Having a good memory, while common, is by no means a ubiquitous side-effect of a gifted talent, which is why some of our greatest did not do brilliantly at school (Eichendorff!). A certain remedy is possible here, however, by relieving many of the educational responsibilities of schools. After all, the excess of all our schools is only an expression of the fact that there is a lack of an inner relationship to education. The less productivity, the more external knowledge! A steady time with more peace, inwardness and reflection will bring about tremendous change here. Finally, another serious shortcoming which afflicts our current school system and acutely affects the poor has to be remedied, and this is the preference for an early start, something which was discussed above (see pp.256-257). All that remains to be said here is that the children of poor families in particular suffer because they do not have as much stimulation as

those of rich and educated families, and this divide is mirrored in rural vs. urban children, because the quieter rural surroundings awaken the mind more slowly.

All of these considerations expose as entirely false the hopes of the immature souls and bungling reformers of today, that through a "return to nature", "good teachers", better means and methods of teaching, we might bring about the elimination of the fundamental shortcomings of our education system. Either such views can be traced back to the "milieu theory" (see p.33 above), the notion that external influences can determine everything in a person, that the human mind can be perfected without limits (a teaching that should not be taken seriously at all); or they arise from a belief in the natural abundance of talent among the people, such that all vital positions in the economy and society can be filled with gifted individuals. Unfortunately, this is also wrong. Just as there are too few "good teachers" for the education system, so too are there few creative people available for all other leadership positions. No nation has enough talent to be able to fill an extensive education system with outstanding people, nor even its upper classes. Whoever wants to have a say in educational matters, indeed, anyone who wants to have a say in sociological matters at all, must be clear about the basic fact that there will always be a shortage of truly talented, highly competent minds for all the tasks of leadership, and that this shortage has existed throughout history.

Given all we have said, the issue of preventing the estates breaking down into castes can only be solved to a limited extent. Above all, the partial solution can be presented in the form: through the constant replenishment with talented people from the lower classes, the life of society as a whole is kept fresh, vital levels are appropriately maintained. The primary issue here is not the supply of a few special talents but preventing the upper classes from becoming ossified. Above all, this must be achieved through provisions throughout the entire organisation and the design of the education system. In the Middle Ages, many great talents were reasonably cared for by the monasteries. But they were separated from life, and so the abuses of the higher estates could take root unchecked over the centuries (although these higher estates, on the other hand, would have to be self-replenishing due to the war-related losses that they incurred).

The issue of education, as has been shown already, touches upon the most sensitive aspect of the estates: their paralysis, the nobility of birth, unfounded privileges, monopolies, rents, moral and intellectual fatigue. The free movement of talent, the freshness of intellectual life (through free access to education, etc.) therefore becomes a vital matter for the estates.

I repeat that no particular measures could be far-reaching enough here. Rather, most of our hopes must be placed on the spiritual elevation of life as a whole, on the entirety of the population. Regardless of how low an opinion one has of the intellectual and moral capabilities of the masses, it is still possible to

do a great deal, on a steady basis, to raise their average mental capacity. However, you should never expect the masses themselves to produce anything outstanding. The following rule applies:

“There is one thing I have to pay attention to:  
Knowing and not despising people.”<sup>387</sup>

As insignificant as these things which we have mentioned must appear, it is only due to them that the, as already mentioned, infinitely important process of refreshing the upper classes with the talented members of the lower occurs, through the preservation of an uncovered, vigorously pulsating spiritual life which constitutes the most essential condition for the viability of the corporatist state. The Middle Ages began to falter when the spiritual/intellectual life of that time was dissolved through the overthrow of scholasticism and the Christian Idea in general, by way of the Renaissance and humanism. Where such life is worn out, where supra-individual ties loosen, there appear the first conditions for the emergence of political and economic individualism, because material things then come to the fore, the individual once lurking out of frame raises his head. True spirituality is paired with Universality. But wherever the human spirit loses the threads that tie it to the big picture, to what exists above it, to the universe, there it begins to imagine itself as a whole and overestimates the strength of its individuality to the extent where a man no longer considers his inner separation from the universe to be absurd and impossible. The more he becomes an object to himself, the more the spiritual is dethroned in his life, the more the external, material, economic, vain and empty forces will gain importance; capitalism arrives: “*Sir, laissez nous faire!*”<sup>388</sup> The words that a trade teacher addressed to Colbert as a member of a delegation, this call to drop all ties, corporative groupings and state interference, and to empower the individual, then becomes the watchword of an entire era.

Again and again, individualism and capitalism have arisen in history, but again and again, the return to firm, corporative and macroeconomic ties has resulted from the individualistic anarchy. The annihilation of the Mitgard Serpent of Marxism and democracy, the creation of healthy corporatist ties and a holistic spirit, these are the tasks facing our lineage. Today, we might thank fate that we have already passed the nadir. Morning emerges from the midnight, the first rays of its purple glow already shining in the skies of the fatherland.

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<sup>387</sup> (Ed.) A slight rephrasing of a line from Goethe's poem, *Zahme Xenien* 1. It can be found in Goethe, J. (2016). *Gedichte: Ausgabe letzter Hand* 1827. Berlin: Hofenberg, p.639.

<sup>388</sup> (Ed.) Fr: *Sir, leave it to us*. This phrase was said in 1861, a response by a businessman to the French Controller-General of Finances, Jean-Baptiste Colbert (1619-1683), after he inquired as to how the state could help foster commerce. It subsequently became synonymous with free market economics.

## *The True State*

Our age is preparing for this return, and it is now only a matter of finding the transition, that we may not perish in anarchy as so many peoples have throughout history.



## In Conclusion

We have wandered now through all of the social topics. We have seen things as they are, seeking out their today and yesterday, their good and bad, their illusion and truth, and, God willing, we have managed to chart a correct course. But still, one cannot show people what is right in the same way we might show children what colourful stones are.<sup>389</sup> Rather, the truth must be won by conquest, errors must be defeated from within, evil must be tamed.

It is said that love is the epitome of human vicissitude, of the relationship between people. But to base the state and society on this, and to place trust only in the bond of a general fraternity would be deceptive. Just as the truth can only be found through error, so love can only ever be achieved through selfishness, struggle and then self-denial, until it finally reaches its highest level, devotion, an exclusive service to the higher. This is why our ancestors wrote in the Edda how love only comes through suffering and tears, and declared: "Freia cries golden tears".<sup>390</sup> The higher aspect of Freia came not in the fact that she knew no suffering or struggle, being merely sweetness, but that she produced purely and genuinely nothing but truth and beauty from pain and terror. For what should pain, worked upon by her eternal love, become other than pure gold?

This is not something given only to the goddess of our ancestors, it has been given to every noble life, every noble age, every noble people. "Society" can therefore never be an embodiment of life in childlike harmony and sweetness, but its essence and aim is instead to give birth to the noble through striving, struggle and error.

The German people has also endured pain and adversity, even disgrace; it has long been caught up in evil error. Now the time has come to atone for the disgrace, to lance the boil we call democracy and Marxism, to taste the sting

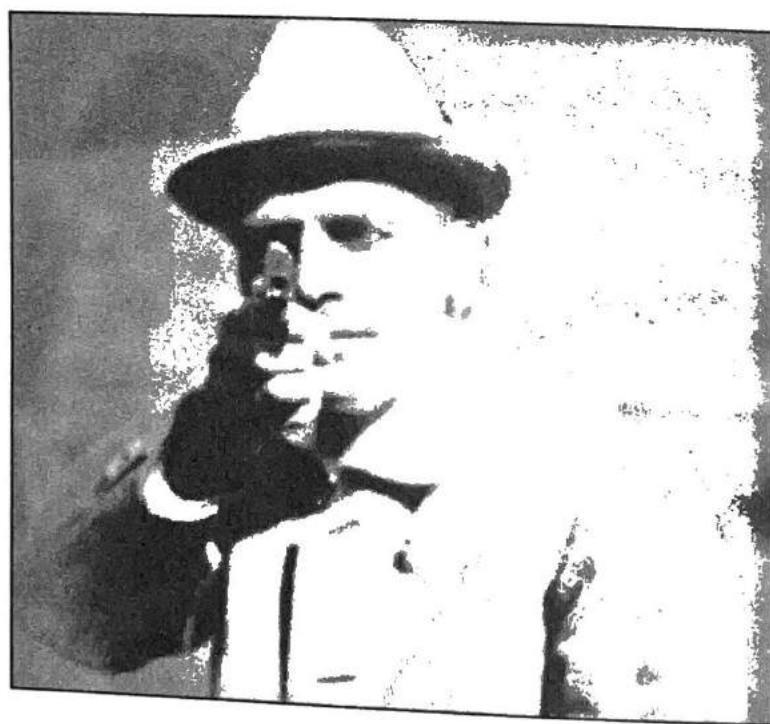
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<sup>389</sup> (Ed.) A reference to the work of Austrian poet, Adalbert Stifter (1805-1868). In his introduction to *Bunte Steine*, the titular *colourful stones* are a literary device used to explain that an object's visual impression is often more important than its substance. For the introduction, see his *Bunte Steine* (1853). Pest: Gustav Heckenast, pp.13-16. For a discussion of the literary device, see Gabriel, H. (1999). Prescribing Reality: The Preface as a Device of Literary Realism in Auerbach, Keller and Stifter. *Colloquia Germanica*: 32(4), pp.333-334.

<sup>390</sup> (Ed.) Freia was a goddess in Norse mythology, said to cry tears which turned to gold while lamenting the absence of her husband Odur. The story is part of the Edda, a two-part medieval Icelandic record of ancient Norse oral traditions.

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with eyes wide open; so that it works the gold of insight and contemplation within us. Truth alone sets free, alone stands as the power and shield against the forces of deception, alone constitutes the sure basis for a righteous life. Only when today's estates, parties, doctrines have truly endured disappointment and defeat, only when they have erased and spent all that is untrue in them, will they arrive at the correct totality, the true state, which exists not as a finished article, an external plan or schematic, but is something that must be lived and achieved anew each day. German mysticism said of the relationship between man and deity: "I would like to always do good, by my own hand". This is how human life in the state is supposed to be: "I would like to achieve the best in my folklore, in my state, in mankind and in every community, everything man does by his own hand".<sup>391</sup> Then suffering would only be a sign and a reflection for the German people; excluding us from something higher that we should first understand. Right estates and right living arise before us when we elevate the higher above the lower, delight the lower by allowing it to take part in the higher. The lower grounds the higher, the higher animates and elevates the lower. So wills the essence of things, and that is the divine truth.



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<sup>391</sup> (Ed.) This quote is drawn from the anonymous author of the German mystical treatise, *Theologia Germanica*, which dates to the 14<sup>th</sup> century. It can be found in Biesenthal, J. (1842). *Die deutsche Theologie: nach der von Luther 1518 besorgten Ausgabe*. Berlin: Wilhelm Thome, p.12. It has long been suspected that the original author was Johannes Tauler (1300-1361), a disciple of Meister Eckhart.